



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

ESTIMATES

(Additional Estimates)

TUESDAY, 14 FEBRUARY 2006

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SENATE

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

Tuesday, 14 February 2006

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

Senators in attendance: Senator Eggleston (*Chair*), Senator Lundy (*Deputy Chair*), Senators Carr, Conroy, Crossin, Joyce, McLucas, Moore, Patterson, Ronaldson, Siewert and Wortley

Committee met at 9.08 am

**DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND
THE ARTS**

Consideration resumed from 13 February 2006

In Attendance

Senator Coonan, Minister for Communications, Information Technology and the Arts

Arts portfolio

Senator Coonan, Minister for Communication, Information Technology and the Arts

Sport and Environment and Heritage portfolio

Senator Ian Campbell, Minister for the Environment and Heritage

Department of Communications, Information Technology and the Arts

Ms Helen Williams, Secretary

Arts and Sport Division

Ms Lynne Bean, Acting Deputy Secretary, Arts and Sport

Mr Colin Lyons, Acting Chief General Manager, Arts and Sport

Mr Peter Young, General Manager, Film and Digital Content

Ms Sally Basser, General Manger, Indigenous Arts and Training

Mr Mark Taylor, General Manager, Arts, Regional and Governance

Ms Lyn Allan, Acting General Manager, Indigenous Culture and the Arts

Mr Kevin Isaacs, General Manager, Sport

Mr Paul McInnes, General Manager, Collections

Ms Kate Cowie, General Manager, Old Parliament House

Mr Andrew Sayers, Director, National Portrait Gallery

Australian Communications and Media Authority (ACMA)

Ms Lyn Maddock, Acting Chair

Mr Chris Cheah, Acting Deputy Chair

Ms Maureen Cahill, Acting General Manager, Strategy, Analysis & Coordination

Mr Giles Tanner, General Manager, Inputs to Industry

Mr John Neil, Acting General Manager, Industry Outputs

Mr Marcus Bezzi, General Manager, Legal

Ms Sharon Trotter, Manager, Content Assessment

Ms Anita Tapper, Acting Chief Financial Officer

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, Corporate Resources

National Library of Australia (NLA)

Dr Warwick Cathro, Assistant Director General, Innovation

Mr Gerry Linehan, Assistant Director General, Corporate Services

National Gallery of Australia (NGA)

Mr Ron Radford AM, Director

Mr Alan Froud, Deputy Director

National Museum of Australia (NMA)

Mr Craddock Morton, Director

Ms Freda Hanley, General Manager, Content and Collections

Ms Suzy Watson, General Manager, Operations

Ms Louise Douglas, General Manager, Audience and Programs

Mr Jeff Smart, Chief Finance Officer

National Archives of Australia (NAA)

Mr Ross Gibbs, Director-General

Mr James Barr, Deputy Director-General

Film Finance Corporation (FFC)

Mr Brian Rosen, Chief Executive Officer

Mr Ross Pearson, Chief Commercial Officer

Australian Film Commission (AFC)

Mr Kim Dalton, Chief Executive Officer

Australian Sports Commission (ASC)

Mr Brent Espeland, Director, Sport Performance and Development

Professor Peter Fricker, Director, Australian Institute of Sport

Ms Lois Fordham, Director, Corporate Services

Mr Steve Jones, Director, Commercial and Facilities

Australian Sports Drug Agency (ASDA)

Mr Richard Ings, Chief Executive

Department of Environment and Heritage

Executive

Mr David Borthwick, Secretary

Ms Anthea Tinney, Deputy Secretary

Dr Conall O'Connell, Deputy Secretary

Mr Howard Bamsey, Deputy Secretary

Executive Policy Adviser

Ms Diana Wright, Executive Policy Adviser

Approvals and Wildlife Division

Mr Gerard Early, First Assistant Secretary

Australian Antarctic Division

Mr Tony Press, Director, Australian Antarctic Division

Mr Rod Allen, General Manager, Corporate

Bureau of Meteorology

Dr Geoff Love

Dr Sue Barrell

Ms Helen Tran

Corporate Strategies Division

Mr David Anderson, First Assistant Secretary, Corporate Strategies Division

Great Barrier Reef Marine Park Authority

Mr Andrew Skeat, Acting Chairman

Mr John Tanzer, Executive Director

Mr John Barrett, Director, Corporate Services

Mr John Day, Acting Director, Parliamentary and Ministerial Liaison

Heritage Division

Mr Peter Burnett, First Assistant Secretary

Mr Terry Bailey, Acting Assistant Secretary, Heritage Assessment

Industry, Communities and Energy Division

Mr Barry Sterland, First Assistant Secretary

Mr Gerry Morvell, Branch Head, Energy Futures Branch

Mr David Rossiter, Office of the Renewable Energy Regulator

International Land and Analysis Division

Mr Ian Carruthers, First Assistant Secretary

Mr James Shevlin, Assistant Secretary, International Strategies

Land Water and Coasts Division, Coasts and Water

Mr Tony Slatyer, First Assistant Secretary, Land, Water and Coasts Division

Marine Division

Mr Andrew McNee, Assistant Secretary, Marine Environment

Mr Stephen Oxley, Assistant Secretary, Marine Conservation Branch

Natural Resource Management Programs Division

Mr Malcolm Forbes, First Assistant Secretary

Ms Kelly Pearce, Assistant Secretary, Australian Government Natural Resource Management Team

Ms Alison Russell-French, Assistant Secretary, Australian Government Natural Resource Management Team

Parks Australia Division

Mr Peter Cochrane, Director

Mr Sam Ceravolo, Business Manager

Policy Coordination Protection Division

Mr Mark Tucker, First Assistant Secretary

Mr Kevin Keeffe, Assistant Secretary, Communications and International Branch

Ms Nicole Matthews, Acting Assistant Secretary, Policy Development Branch

Mr Sean Sullivan, Assistant Secretary, Environment Research

Mr Luka Grey, Director, Budget Coordination Unit

CHAIR (Senator Eggleston)—I welcome Senator Coonan, who is representing the Minister for the Arts and Sport, Senator Rod Kemp; and the portfolio officers who are appearing today. 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 they shall be given a reasonable opportunity to refer questions asked of them to superior officers or a minister.

I also draw attention to the privilege resolutions agreed to by the Senate on 22 February 1988 concerning the conduct of Senate committees, in particular to resolutions 1(9), 1(10) and 1(16). Privilege resolution 1(9) deals with the question of relevance and reads as follows:

A chairman of a committee shall take care to ensure that all questions put to witnesses are relevant to the committee's inquiry and that the information sought by those questions is necessary for the purpose of that inquiry. Where a member of a committee requests discussion of a ruling of the chairman on this matter, the committee shall deliberate in private session and determine whether any question which is the subject of the ruling is to be permitted.

The Senate endorsed in 1999 the following test of relevance of questions at estimates hearings:

Any questions going to the operations or financial decisions of the departments and agencies which are seeking funds in the Estimates are relevant questions for the purposes of Estimates hearings.

I ask senators to bear this in mind when framing their questions.

Privilege resolution 1(10) goes to the question of the procedure that must be followed by a committee if a witness objects to answering a question. This resolution is partly overridden by standing order 26(2), which requires legislation committees considering estimates to take evidence in public. The section of privilege resolution 1(10) that applies to estimates reads as follows:

Where a witness objects to answering any question put to the witness on any ground, including the ground that the question is not relevant or that the answer may incriminate the witness, the witness shall be invited to state the ground upon which objection to answering the question is taken. Unless the committee determines immediately that the question should not be pressed, the committee shall then consider in private session whether it will insist upon an answer to the question ... Where a witness—

including a minister—

declines to answer a question to which a committee has required an answer, the committee shall report the facts to the Senate.

Alternatively, the committee can also consider reconvening outside the estimates process to pursue a matter under one of the committee's other powers, as provided for in standing order 25(2)(b). I also remind senators and officers that under privilege resolution 1(16):

An officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy, and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister.

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

the Senate. I welcome the minister, Senator Coonan. Ms Williams, if you would like to make your clarifying comments, you may do so now.

Ms Williams—This is in response to a discussion with Senator Campbell yesterday, where I said I would check the timing of the ABC's supplementary budget estimates responses. In fact, we are not very far different from what Mr Balding said. Of the 128 questions, 69 were received by 21 December, which was the due date; and all but two of the remainder were received by 23 December, two days later. The problem was that, as 21 December was the day that everybody left for Christmas, there was a delay before those questions were tabled. But the difference between my figures and those of Mr Balding is not great.

[9.13 am]

Australian Communications and Media Authority

CHAIR—I welcome ACMA officers to the table.

Senator LUNDY—I would like to turn first to voice over IP services. Is ACMA aware of recent research performed by Telsyte that shows up to a third of VoIP providers in Australia are not complying with their regulatory obligations?

Mr Cheah—I am not personally aware of that research to which you are referring. It is possible that some of the officials in ACMA are aware of that. Unfortunately, our telecommunications officer, Mr Neil, who was going to be a witness, had to go back to Melbourne for a meeting this morning. I will take that question on notice, if that is okay.

Senator LUNDY—I have a series of questions about this. It concerns me that, despite our best efforts in the program yesterday, not having an officer here effectively prevents me from asking these questions. Does ACMA think that meetings are more important than estimates?

Ms Maddock—ACMA tries to balance all its obligations.

Senator LUNDY—I appreciate that, but it does concern me. Perhaps I can place on the record a series of questions about this report. I think it is disappointing that the officer who would have been capable of answering these questions is no longer here.

Senator RONALDSON—The officer was here yesterday.

Ms Maddock—He was here until 11 o'clock last night.

Senator LUNDY—I appreciate that. But the committee did its best to inform officers of our scheduled timing, including the fact that we notified earlier in the evening that ACMA would be required this morning.

CHAIR—I have to endorse those remarks, because you did know that you would be heard this morning and it is reasonable that you should have had this officer here. I am afraid that you are open to criticism on the basis of him not being here when it is quite reasonable to expect those sorts of questions to be asked.

Senator RONALDSON—I would take a different view from the chair and Senator Lundy. If someone is told that the hearing is going to be on a particular day, and there are other arrangements, I think it is a bit churlish of us to be attacking him. If he had not turned up yesterday, that would be a different matter; but I think it might be a bit churlish, given that it was us that threw this program out.

CHAIR—I must say that I do not agree. In this case the estimates have been pushed forward and departmental and agency people are well aware that sometimes these agendas do get behind. I do not think it would have been too much trouble to keep him here for this morning—but let us proceed.

Senator LUNDY—Thank you, chair.

Senator Coonan—Chair, I really cannot let this go without saying that I disagree with your comments. It is extremely difficult for officers, who make themselves available sometimes from the morning to get on. For instance, last night SBS waited all day to get on just before 11 o'clock. We all know that the committee needs to be accommodated to the extent that is reasonable. I just think it is very unfair to pick out a particular officer and criticise them in these circumstances.

Senator LUNDY—Minister, it would have been helpful had ACMA advised the committee that this officer would not be available and we could have factored that into our deliberations and prioritisation last night. I find this hard to believe, with estimates occurring only three times a year. This is the one opportunity for accountability before the parliament, compared to everyday meetings—and I am sure it is an important one; I am not casting a judgment on what meeting has drawn this officer away. I would have thought that Senate estimates would have been the priority. But I think the point has been made.

Senator Coonan—I think we need to accommodate each other, if I may say so. Usually the officers do try to anticipate the particular needs of the committee as they flow over. Obviously, this one has slipped through; but I think it is a bit unfair to be critical of the particular officer. Why do we not take it on board and—

Senator LUNDY—I am not critical of the officer; I am critical of ACMA for allowing the officer to go.

Senator Coonan—We will take it on board and we will try to read the movements of the committee more accurately.

Senator RONALDSON—Hopefully, the officer was sorting out Goldfields FM. That would be terrific. If that were the situation, I would be very happy for him to be away as long as possible.

CHAIR—I think we will just note it and move on.

Senator Coonan—The point has been made and taken.

Senator LUNDY—I think so. But to send back the telecommunications expert after a day of strong focus on telecommunications beggars belief.

Mr Cheah—Hopefully, we will be able to answer your questions in general about telecommunications. Your specific question, though, was whether we were aware of a particular piece of research and a particular survey. I think my answer was that I was not personally aware of that particular piece of research but that the staff might have had more awareness of that particular piece of research. Obviously, we are happy to take other, more general, questions; but your specific question was about awareness of a particular piece of research.

Senator LUNDY—Yes, and you will understand from my next question why I asked that as an opener. My next question relates to that report. Is ACMA aware that the report found that up to 30 per cent of VoIP providers have not registered with the TIO regime and some 44 per cent have failed to detail contract cancellation provisions in their contracts—which are, as you know, required? So you can see why this was important.

CHAIR—I am sure you can put your questions on notice and they will all be answered.

Senator LUNDY—I certainly could. Perhaps I could ask generally: what is ACMA doing to ensure that regulations in the VoIP area of service provision are being complied with?

Mr Cheah—In general, as you are aware, there has been a fair bit of work done in the entire area of VoIP. Both the department and the minister prepared a report a while ago. It was done in consultation with ACMA. That report was released late last year. I cannot remember the precise date. Since then we have been working to implement some of the findings of that report and we have a work program to work our way through those.

In general, when we become aware of a particular area of potential noncompliance, we act on it. That includes, where we become aware that there are carriage service providers who are not members of the TIO scheme, through our normal process of graduated compliance, to get them to join the TIO scheme. That process would be first to make contact with them and encourage them then to write to them and then to start taking regulatory proceedings if need be.

Senator LUNDY—Given this Telsyte research, are you able to confirm that there is widespread noncompliance in the VoIP sector?

Mr Cheah—As I said, I am not familiar with the Telsyte—

Senator LUNDY—Just putting aside the Telsyte research, if you are not familiar with that: is ACMA aware that there is a problem with noncompliance in the sector?

Mr Cheah—I am not aware of large scale noncompliance. But, as I said, the way these things tend to work would be a little bit by exception, in the sense that things would come to our attention and we would tend to act on things that way. We do not go around cruising the streets looking for potentially noncompliant ISPs.

Senator LUNDY—I am not suggesting that you should cruise the streets looking for problems. I am suggesting that you would have been aware of a report that said there was 44 per cent noncompliance on contract cancellation details, which has been a huge issue in mobile. I would expect that that would come to your attention immediately.

Mr Cheah—You have certainly brought it to our attention now. We will look into it now.

Senator LUNDY—What monitoring does ACMA undertake of VoIP providers in pursuit of regulatory compliance?

Mr Cheah—Our general approach to a lot of regulatory compliance issues would be driven a bit by complaints and demand. The TIO would obviously be an early port of call for complaints in the area of telecommunications compliance.

Senator LUNDY—Prior to TIO complaints, is there any other monitoring that you undertake—given that one of the problems appears to be non-registration with the TIO?

Mr Cheah—Obviously, we would be aware of some of the market and press reporting. There are a few other sources, I suppose, that would arise. Those would include that, for example, if a law enforcement issue were to arise with an ISP, that would be brought to our attention, presumably by the Attorney-General's Department. But we do not actually go looking around for particular VoIP providers. VoIP providers are, in a sense, applications providers over the internet. In the same way that we do not go around looking at all applications providers over the internet, we do not particularly go around looking for non-compliant VoIP providers. We would be aware of the industry. We also do some market research.

Senator LUNDY—So, what you are saying to me is that consumers effectively need to know the law before ACMA will step in. They have to know the law and make a complaint, either to authorities or to ACMA, before you do anything.

Mr Cheah—With most carriage service providers, I think that is probably the way that things would tend to work a bit, in the sense that people would have a problem and they would then complain to the TIO and move forward.

Senator LUNDY—You can see the trap that it created here. If the VoIP providers are non-compliant, you are not doing anything proactive to check them other than looking at the TIO—if they have not registered with the TIO then these problems cannot be fixed.

Mr Cheah—What would tend to happen then is that people would presumably complain to us.

Senator LUNDY—If they know the law and they know the law has been broken. Isn't this indicative of the sorts of problems you get into when there is a delay in the release of the new VoIP guidelines? Weren't the VoIP guidelines due out a while ago?

Mr Cheah—There is one other point there. This is one of the issues under the new VoIP guidelines. If VoIP providers want to start getting serious, they do need telephone numbers. If they need telephone numbers, under the numbering plan they will have to come to us to get those telephone numbers. So we will become aware of their existence via that particular route.

Senator LUNDY—So what is the status of the guidelines?

Mr Cheah—If I can just explain: VoIP providers, as you are probably aware, fall into a number of different categories. There are pure internet VoIP providers—people like Skype, who tend to provide peer-to-peer VoIP. We probably would not know about those people, because they do not necessarily come asking for telephone numbers until they decide they want to interconnect into the PSTN. Once they decide they want to come into the PSTN, they will need to get some telephone numbers—either geographic telephone numbers, which has been the situation up to now, or we are creating a new non-geographic number range. There will basically be procedures put in place to filter that. We have got a discussion paper out at the moment about the circumstances under which those numbers will be handed out. That is a very important part of the implementation plan. Another general issue I think—

Ms Maddock—More generally, one of the things we have been really keen to do as a new organisation is to go back and examine all the education/information products we put out. We do agree with you that it is really fundamental that the right information is being put to the people. We inherited a slew of information documents, publications et cetera, that we do not

necessarily think were serving the right ends. Certainly they repaid having a hard look at to see whether they were the right set of messages going to the right audiences in understandable ways. That is one of the tasks that we have given to our newly coagulated information and research area to make sure that the messages we want to send to people about their rights and methods of—

Senator LUNDY—So this is educating consumers about the law?

Ms Maddock—About their rights and complaints channels et cetera. Amongst other things, it obviously has a lot of information that we send out. But it did seem to us that the organisations that came together to form ACMA had not been doing that particularly well in the past and so—

Senator LUNDY—That is not a very glowing endorsement of the previous efforts.

Ms Maddock—I was part of one of the previous organisations. I would acknowledge that we could have done things better. That is why we put them together as the research and information branch—so that they could precisely make sure we were actually targeting our markets better, because the whole system does depend upon consumers knowing who to go to to complain.

Senator LUNDY—It does except that ACMA has been particularly slow in their release of the new VoIP guidelines. Going back to my earlier question, Mr Cheah, what is the status of that guideline?

Mr Cheah—Which guidelines?

Senator LUNDY—The VoIP guidelines. I understand that they have been—

Mr Cheah—What happened is that after the minister released the numbering report late last year, we have been putting together a general work program on a number of different recommendations that were there, some of which were ours, some of which belonged to other people. The centrepiece of that was in fact the new numbering arrangements, and we released a discussion paper on that in December. That is due in late February; that is when public comment closes on that, and we will hopefully be releasing the new numbering arrangements not too long after that. It depends on what submissions we get in.

Senator LUNDY—March, April, May?

Mr Cheah—As soon as possible after we have considered the—

Senator LUNDY—Hang on. We have got a report showing noncompliance in the sector. We have just heard from ACMA that there is a black hole that consumers will fall into. I appreciate, Ms Maddock, your words about your efforts to improve information to consumers, but the fact is that you were left with a dog's breakfast and you are trying to fix it. This whole time has left consumers completely exposed. I would argue that it has exacerbated noncompliance because of this slow-moving feast. So the issue that you now have the opportunity to clarify is precisely when ACMA will have out there in the market for consumers the new VoIP guidelines. Hopefully there is something on which to base compliance and enforcement.

Ms Maddock—Mr Cheah's reluctance is that he is probably sitting here saying: 'Okay, we get the comments in by the end of February. We need to prepare a paper. It will go to the

board, the authority, some time in March.’ We are getting a new chair, as you know, who will want to have a bit of a say about the agenda. I would expect that is why March/April is the most definite that we can be at the moment. But it will be dealt with as a matter of importance to get it out there as soon as possible.

Mr Cheah—I would also say as a general comment that saying that consumers have been left in a black hole in this area is probably overstating it a bit. Generally what will happen with VoIP providers is that they tend to be—

Senator LUNDY—Well, you have not seen the Telsyte report. I have seen it.

Mr Cheah—If I could just finish explaining—

Senator LUNDY—I have referenced the Telsyte report. I think it is worse than you think it is.

Mr Cheah—I will certainly be looking at the Telsyte report with interest, so thank you for drawing it to our attention—or, at least, to my attention. As I said, the staff might have been aware of it. The more general point I was going to make was that the VoIP providers tend to operate at the moment as a competitive alternative to more mainstream telephone providers. People are usually making a competitive choice to move to the VoIP provider at the moment. We are probably in early adoption phase at the moment, so people will be doing a bit of experimentation. If people run into problems with their billing issues with their VoIP provider, they can take those up with the TIO. If the TIO then comes and says, ‘Sorry; we haven’t heard of this person,’ then the TIO would basically say to raise it with ACMA or the TIO would raise it with us as well. They would say, ‘There seems to be bodgie provider X working in the background here.’ We would move very quickly to investigate that situation and deal with it.

I think to say that there is a black hole is overstating the problem as far as the levels of practical consumer issues that are likely to rise at this stage go. But it is an issue. As the VoIP market continues to evolve, we will need to develop our responses carefully. I would also say that part of the government’s overall approach to VoIP—and it is one which the ACA in the past had endorsed—is that there is a balance to be struck between trying to help facilitate the development of innovative new services while also providing reasonable regulatory protection. We have to feel our way through that a bit as well, in the sense of allowing consumers to make choices between various quality-price trade-offs and that sort of thing while also giving them the ability to get regulatory protections and have access to services of a sufficient standard when they want them.

Senator LUNDY—Can I ask ACMA to provide a commitment that you will place a higher priority on and be more active in this new area of service? I think the point you make is an important one. It is important to have competitive services out there, but it is as important that the regulatory authorities keep pace with these developments.

Ms Maddock—As I said, it is that plethora of services and the potential for consumer confusion that is in part behind the way we have restructured the organisation.

Senator LUNDY—I think the point Mr Cheah makes as well is one of ensuring that new providers are not let off the hook in regulatory terms, either. But from this Telsyte report it seems that it has got a bit out of control.

Ms Maddock—One thing we have been trying to do in the reorganisation much more profoundly than that is to make sure we focus on what our regulatory philosophy is, what our compliance philosophies are and what our compliance processes are so that we can be much more systematic, much more considered and much more transparent in what we do for all the sorts of reasons you are identifying. It is just a big task.

Senator LUNDY—Can I ask why Mr Chapman, the new chair, is not here?

Senator Coonan—He has not commenced yet.

Senator LUNDY—That is a shame.

Ms Maddock—He will be here next time.

Senator LUNDY—We will look forward to seeing him at budget estimates. We heard from Telstra yesterday about the state of its network and the continuing fault problems it is having with its network, and we learnt that the level of faults in Telstra's network has grown from 11.59 per cent of lines in 2002 to 14.28 per cent of lines in July 2005. Why weren't these figures reflected in the former ACA's quarterly telecommunications performance monitoring reports? The disparities between your reporting and the facts as Telstra conveys them has, as you know, got a bit of history in estimates.

Mr Cheah—The quarterly service reports are quarterly, so they will move up and down a bit. If I recall correctly, they are actually reflected, aren't they? Can you point me to where you think the discrepancy—

Senator LUNDY—No, not according to my information. My information is that that percentage—the level of faults—is not a figure that is documented in the telecommunications performance monitoring reports.

Mr Cheah—If I remember this particular issue correctly—and I am operating a little bit from memory now because I do not have that particular statistic you are referring to—I think where the issues have arisen in the past has been a difference of view on what the monthly fault levels had been. The ACA had reported on fault levels of around one per cent. There was this 99 per cent versus this one per cent a month. That came out at just over one per cent per month. When you took it on an annual basis it actually added up to about 14 per cent. Once again I can take that one on notice and explain to you exactly how the numbers add up. They did come very close.

Senator LUNDY—I think the point made was that the way in which the former ACA reported on these things cast the fault levels in as positive a light as possible, whereas the facts of the matter I think need to be more clearly explained. If you are required to consolidate those figures to give you annualised or quarterly figures for faults, why don't you do it? Then at least your data looks like it matches everybody else's, regardless of convoluted methodologies.

Ms Maddock—Can we get back to you on two aspects. One is the absolute level and the second is the trend. I would be more worried if the trends were moving in different directions than if the absolute levels looked different. We will get back to you on both.

Mr Cheah—I think your general point that we should look at the way we report things is a valid one. We will be looking to see how we do our fault reporting, what is an appropriate

way of doing fault reporting and what actually is a way that makes sense and gets the right balance between a number of different things. That is why we have created that new branch that Ms Maddock referred to before. It was partly to do a bit of a rethink. The good thing about a new authority is that you can rethink how we report, what we report on, what kinds of things are going to be of interest and what is the best way of conveying information.

Senator LUNDY—Please take that question on notice and provide us with the details.

Ms Maddock—Sure.

Senator LUNDY—The issue about line faults is that 14 per cent of Telstra's lines have faults in them. That is the point that needs to be reflected in the reporting.

Ms Maddock—You need both. You need the number of lines that have faults and the number of faults that are happening.

Senator LUNDY—You do. You need both. Please take that on notice to provide the detail about both issues.

Ms Maddock—Sure.

Senator LUNDY—When the information that 14 per cent of their lines had faults was provided by Telstra to the government, did you write to Telstra to try to reconcile your reporting of telecommunications performance with the figures that Telstra published?

Ms Maddock—No. We took the view that Telstra's published figures were for them. We wanted to make sure, and insisted upon making sure, that the figures they gave to us were what we want rather than check out a whole range of figures that they might be putting in the public arena from time to time.

Senator LUNDY—This is a really important issue because it goes to the heart of the credibility of ACMA's reporting. We know that the minister sat on this information for a while and that it was made public by the Labor Party, so it was in the political arena. What I want to know is if anyone from ACMA asked any questions once that information became public?

Ms Maddock—We did. We asked the questions. They confirmed to us that it was based on that different metric that we are talking about.

Senator LUNDY—What questions did you ask about the metric they were using, because it severely undermines the credibility of ACMA when you are reporting that the network looks pretty good, reporting that it is shipshape, and Telstra are bandying about figures like 14 per cent of phone lines being faulty in the minister's office, ultimately to be aired in public?

Mr Cheah—There are a couple of things on that. One would be, yes, staff did go back and ask questions. We can probably tell you which metrics were involved.

Senator LUNDY—Could you provide correspondence as well to prove that that was the case?

Mr Cheah—I would have to find out what the actual basis of the briefing was, but we will inform you about that. It is worth pointing out that ACMA's main interest in all of this actually tends to be about CSG performance, because in a sense that is where the regulatory issue kicks in. Telstra is actually—

Senator LUNDY—Excuse me, Mr Cheah. It is not just about CSG. That is one aspect of telecommunications performance—one aspect that was legislated in 1997. There are a lot of other issues relating to telecommunications performance besides the CSG. What I need to know is what information you sought once that became public and what you have done about getting Telstra's figures which it used to say that 14 per cent of its lines are faulty to build into future reports. Otherwise the previous ACA reports, and now ACMA reports, on telecommunications performance monitoring look like a PR exercise on behalf of the Howard government. That is not in anyone's interests—except perhaps the Howard government.

Senator Coonan—Senator Lundy, I also take absolute issue with you that I have sat on any report in relation to this. Certainly it is nothing that the Labor Party discovered. You have no basis for saying that at all.

Senator LUNDY—I put to you that you only wrote to Telstra about it once the Labor Party made that information public.

Senator Coonan—I am not sure of the timing, but clearly—

Senator LUNDY—No, I am sure you are not.

Senator Coonan—It is clearly something that obviously was an issue that I raised with Telstra.

Senator LUNDY—After it became public.

Senator Coonan—I am not sure whether that is right at all.

Senator LUNDY—Did you make any inquiries with ACMA directly after Telstra made those figures known to you?

Senator Coonan—I cannot recall whether I made any approach to ACMA directly, but I certainly did to Telstra.

Senator LUNDY—I would have been—

Senator Coonan—For a reconciliation of the figure.

Senator LUNDY—I would have expected that you would have been gravely concerned about the credibility of ACMA's reporting once you became aware of that 14 per cent.

Senator Coonan—No, I am not at all worried about ACMA's reporting, because I got a different explanation from Telstra which I thought was entirely consistent with the two figures.

Senator LUNDY—Were you concerned that Telstra were not giving the full story to ACMA, therefore undermining their reporting credibility?

Senator Coonan—I would not make that kind of conclusion.

Senator LUNDY—I am asking you.

Senator Coonan—No. I said I will not make that conclusion. It is a different basis.

Senator LUNDY—The bottom line here is that there is a discrepancy. You have already taken on notice to provide an explanation for these discrepancies.

Mr Cheah—That is correct.

Senator LUNDY—We will leave that on notice. Can you tell me if, in the future, you will be receiving from Telstra the information about future percentages of faulty lines in accordance with the information referenced in the 14 per cent?

Mr Cheah—Yes, that is still a standard set of statistics we get from Telstra, and yes, we will be following those up. To the extent that there was a discrepancy, it has been relatively small. My numbers here were 11.96 versus this 14 number. It is close, but there is a discrepancy. The explanation has been about obsolete equipment. I am sure that the staff will be looking at that. The other matter—

Senator LUNDY—Can you take on notice that it is not just the end figure: we would like the full information about the methodology to compile those figures and what was different about the methodologies—what you based your numbers on and why you reached your conclusion, and what Telstra based their number on and how they reached their conclusion.

Mr Cheah—To the extent that that is practical, we will do that.

Senator LUNDY—I would expect it would be practical. Otherwise you would not be able to write a report with any credibility at all.

Mr Cheah—The only other thing that I would say about the network stuff is that there is also a network reliability framework, which is probably a whole new set of reporting and in some ways probably provides more useful reporting anyway.

Senator LUNDY—That is debatable too. We have had that conversation at this committee before. I would also like to ask about the last annual report of one of ACMA's predecessors, the ABA. It stated that it had commissioned research into the adequacy of its enforcement powers. Can you explain why that research was commissioned?

Ms Maddock—For the reason that over a number of years we had faced issues which we thought were not being effectively handled.

Senator LUNDY—So you were not able to effectively enforce or sanction the law.

Ms Maddock—It was imperfect. We chose to look at a range of enforcement regimes for other organisations in Australia and organisations overseas to find out what would be a better enforcement regime.

Senator LUNDY—Are you able to nominate the particular cases that led to the conclusion that the enforcement regime was imperfect?

Ms Maddock—I think there were a range of cases cited in that document by Professor Ramsay. I do not have the document here with me.

Senator LUNDY—Cash for comment was one of them, wasn't it?

Ms Maddock—I think that was one of them, and the follow-ups of that were issues in which our solutions were more convoluted than they may have been if we had had a revamped enforcement regime.

Senator LUNDY—That is about the most tactful way you could possibly put the fact that it was inadequate, but thank you for that. Did the report commissioned confirm the then ABA's concerns about the inadequacy of its powers?

Ms Maddock—The report certainly put forward more efficient regimes—regimes that had a full range of powers.

Senator LUNDY—Did it suggest specific changes to improve the enforcement regime?

Ms Maddock—It put forward a range of things that could be added to the enforcement powers, yes.

Senator LUNDY—Given that ACMA has the same powers in relation to the Broadcasting Services Act as the ABA did, is it correct to say that the weaknesses identified in the report also now apply to ACMA? That is correct, isn't it?

Ms Maddock—We have the same powers, but the minister has put out a discussion paper—on enforcement.

Senator LUNDY—Sorry, say that again.

Senator Coonan—There is a discussion paper out on the various enforcement enhancements that may be appropriate for ACMA, and that is in play.

Senator LUNDY—Another discussion paper. How many is that?

Senator Coonan—We should not discuss these things, Senator Lundy. Really this is an absolute joke on the part of the Labor Party. You sit here and ask endless questions on the basis that you want information. This government consults people, and the Labor Party objects. Where do you get off saying that?

Senator LUNDY—You have been in the portfolio for a while. There is a lot of reviewing and discussion going on but very little action.

Senator Coonan—You are just an absolute joke.

Senator McLUCAS—Chair, I do not think that is appropriate.

Senator Coonan—Why wouldn't you consult the community and consult stakeholders about whether or not there should be enhancements to ACMA's powers?

CHAIR—Absolutely right.

Senator LUNDY—It is obviously a sore point with you, Minister.

Senator Coonan—You must be kidding. Do you think you just go and do this without even asking those who are affected—those who have to enforce it, who have to actually make these regulations work? God help us if you ever get your hands on anything.

Senator RONALDSON—It is the only thing they can remember from their time in government—that they did not consult. The rest is just all history. The way they are going it will be another 10 years as well.

Senator LUNDY—It is obviously a very sensitive point with the minister.

CHAIR—And a very rational one.

Senator Coonan—I happen to think it is important to actually ask people what they might think. I know you do not. You would just go and do it and let the consequences fall where they may.

Senator RONALDSON—They think stakeholders are—

Senator LUNDY—How do ACMA's powers compare with those of overseas regulators like Offcom?

Senator Coonan—In what way?

Senator LUNDY—In relation to enforcement of the law.

Senator Coonan—Which particular part of the law?

Senator LUNDY—Effective sanctions.

Senator Coonan—Which one? You cannot ask us to answer a general question like that.

Senator LUNDY—It is a general question about broadcasting—

Senator Coonan—What do you mean by broadcasting. What part of broadcasting?

Senator LUNDY—Broadcasting services regulations.

Senator Coonan—Which regulations?

Senator LUNDY—Let us look at cash for comment.

Senator Coonan—Cash for comment, okay.

Senator LUNDY—It was nominated as a case in this report, which says, as Ms Maddock said, that the enforcement powers were imperfect. That to me sounds like a pretty effective euphemism for inadequate. What are you as minister doing to ensure that the laws of this country in this area can actually be enforced with appropriate sanctions? Let me guess what the answer to that question will be: a discussion paper. Now is your opportunity, Minister, to tell this committee what you will do to ensure that Australian law will be enforced in this area.

Senator Coonan—I will let Ms Maddock—

Senator LUNDY—Off you go.

Senator Coonan—I will let Ms Maddock talk about the difficulties she had and what is proposed.

Ms Maddock—We commissioned the research because we wanted the—every regulator thinks that they do not have enough powers. I am sure that there is not a regulator known to man that has not argued that at some stage. It is appropriate that that be viewed against other objectives and other interests in the community. I have no problems with that. I think it is appropriate that my word is not taken as gospel in terms of the level of powers that we need in that environment.

We were faced with a range of issues—and they included narrowcast radio, a range of community radio, the commercial radio aspects—in which we have a hollowed out set of powers. We have really draconian powers at the top. We have more suasion powers at the bottom. We argued that we would get a more coherent approach to enforcing our regulation if we had a suite of powers that actually puts the middle in as well. That included those aspects that are in Professor Ramsay's paper, such as some civil penalties, injunction powers and enforceable undertakings. We argued that that would give a better suite of powers and would enable us to be more likely to choose an appropriate response rather than having to go for the draconian response.

That is the discussion we wanted had. We thought that that discussion—and the alternative views, which inevitably, and appropriately, will be there—would be much better made if we had some high-quality research commissioned to debate it in international terms, Australian terms, rather than just, say, coming here or elsewhere and saying that we would like more powers. As I said, I do not know a regulatory authority that has not at some stage asked for more powers. Sometimes it is not appropriate that they be given them.

Senator LUNDY—Thank you very much for that. I think it is very important to have the regulator's view, but I again ask the minister. The regulator has a view, and that has now been shared with the committee. But the Ramsay report was an independent report. We know that breaches of the commercial television code of practice nearly tripled last year, from 11 to 30. What are you as minister going to do to fix these problems? It is more than just the regulator's view. This is a political issue.

Ms Maddock—Can I just comment briefly?

Senator LUNDY—I want to put the minister on the spot here and ask her view.

Senator Coonan—You will not put me on the spot.

Senator LUNDY—Where are you taking this? Are you just going to sit back and let discussion papers float around?

Senator Coonan—I am just about to announce a policy, Senator Lundy, but I am not going to tell you what I am going to decide.

Senator LUNDY—And when will that be?

Senator Coonan—I think there needs to be an appropriate gradation of powers, and I will announce it when I am ready.

Senator LUNDY—Will that include the imposition of fines? Do you think that will solve the problem?

Senator Coonan—I will announce the policy when I am ready.

Senator LUNDY—Don't you think parliament has a right to know when a regulator is concerned that its powers are inadequate to do the job given to it by parliament?

Senator Coonan—We are doing something about it, and I will announce it when I am ready.

Senator LUNDY—Why did it take 11 months to release this report and put out an issues paper on giving ACMA stronger powers? Why were you so slow?

Senator Coonan—I am not so slow. We have had a merged regulator. If you were able to go that fast, I would be very surprised indeed. I will announce this policy when I am ready. I think it is entirely appropriate that there be a gradation of powers. I think it is entirely appropriate that the regulator have an opportunity to work with those who breach the code in any way. They have to have an ongoing relationship. It is draconian to just have to refer something to the DPP. These are all issues that I have been engaged with with the regulator. We will get an appropriate gradation of powers and workable powers so that the industry and ACMA can work appropriately together. Not every breach is of the same gravity. There are

some very minor ones. There are some quite serious ones. ACMA needs to be able to respond appropriately.

Senator LUNDY—Then why on earth did the Howard government not use the opportunity of the creation of ACMA to enhance the powers then? Why this extended, slow, painful exercise? Why didn't you—

Senator Coonan—I am sure you would not have a clue about the difficulties—

Senator LUNDY—It was something we called for—

Senator Coonan—of merging two—

Senator LUNDY—at the time of the debates.

Senator Coonan—Do you mind if I just answer the question? As we pointed out at the time, when you are actually merging two regulators from two very different streams of the portfolio but with converging responsibilities, there are quite some issues to be resolved to be able to get them working effectively together, to get their work program organised, to get all the converged responsibilities sorted out. Rather than load them up with a whole lot of additional powers and problems and things to interpret, the view was taken that we would merge them and then we would do it. And that is what is happening.

Senator LUNDY—So you made the decision not to use the opportunity and effectively chose—

Senator Coonan—No—

Senator LUNDY—to delay—

Senator Coonan—No.

Senator LUNDY—what you knew needed to happen at the time. That is what you are saying.

Senator Coonan—No, that is not correct.

Senator LUNDY—That is irresponsible.

Senator Coonan—We did not choose to—

Senator LUNDY—You just said you did—that you decided to wait to fix those problems to allow the administration to be put in place instead of taking the opportunity.

Senator Coonan—The opportunity—

Senator LUNDY—It is pretty clear.

Senator Coonan—is to have an effective regulator. That is what we are going to have.

Senator LUNDY—When?

Senator Coonan—The judgment was that we would let the regulators merge, we would get ACMA working—and it is—and we would look at its powers. That is what we are doing.

Senator LUNDY—Thank you for that. I interpret that as you conceding that you made a choice not to—

Senator Coonan—Well, you are wrong.

Senator LUNDY—A choice not to increase the powers even though you knew—

Senator Coonan—You are absolutely wrong.

Senator LUNDY—that they were required at the time.

Senator Coonan—Senator Lundy, you have to do this in a measured way. Once again, you do not just bounce out and suddenly drop a whole lot of penalty provisions on industry without giving them an opportunity to say how they will work with the regulator. We have had a number of submissions, which justifies my position that there needed to be an appropriate period of consultation in a transparent and public document. That is what we have done, and we are responding to the submissions.

Senator LUNDY—If you are so concerned about an ineffective regulator, how come it took you so long to appoint a chair?

Senator Coonan—I am not concerned about an ineffective regulator. I think it has worked extremely effectively.

Senator LUNDY—You just conceded that you have known there have been problems for a long time.

Senator Coonan—No, I have not said that. I have said that I think its powers need to be enhanced in a measured way and in a time frame that the regulator can cope with that gives industry an appropriate opportunity to have a view.

Senator RONALDSON—You want a set of rules that will maximise compliance; I think that would be the outcome from this, wouldn't it?

Senator LUNDY—It is pretty clear that the minister is not able to walk and chew gum at the same time, and it is just a question of laziness that all of this work was not done when the opportunity presented itself.

CHAIR—I do not think there should be personal remarks, Senator Lundy.

Senator Coonan—You are a complete and utter joke. You are an absolute disgrace, Senator Lundy. If you really are going to try and question issues of public policy on this sort of personal level, you are going to get absolutely nowhere. ACMA has been and is an effective regulator; it is appropriately constituted; it has appropriate powers. With all agencies, you keep looking at whether or not they can be improved. You have heard from Ms Maddock herself that regulators come to government and talk about things that could help them to do their job better. Government has to take an appropriate view and you have to look at those who are regulated. You do not just do it as a one-sided, unbalanced exercise.

Senator McLUCAS—Excuse me, Chair, I would just like to bring your attention to the minister's language. I do not know that it was quite appropriate. This is obviously a debate that is ongoing, but I think the minister's language was inappropriate and I suggest that you request that she withdraw it.

CHAIR—I am not going to do that. What I might request is that, as we said yesterday, Senator Lundy have a look at standing order 193(3), dealing with the use of offensive words against members of parliament. I suggest that we bear that section in mind and we just

proceed in an orderly and sensible way to examine this issue without personal comments and personal criticisms being made.

Senator LUNDY—I am very happy to do that, Chair. I see that the minister has got a sensitive nerve in the area of being slow.

CHAIR—Senator Lundy, you are drifting off the subject. Let us just focus on what we have got to do.

Ms Maddock—Chair, can I just add something. We have had no hesitation in getting the Ramsay report prepared for us. It was not an independent report, because we got it prepared to our terms of reference. We have no hesitation in drawing our perception of weaknesses in our powers to the minister. Since 1 July—eight months ago—we have not felt that there is a particular need to look at the powers. There have not been any particular problems where we think that the enhanced powers would have made things significantly easier. We would have had no hesitation in saying to the minister that this is a real problem if we had thought that that was so.

Senator RONALDSON—An entirely appropriate process.

CHAIR—Absolutely right.

Senator LUNDY—I would like to move on and ask a few questions about the spectrum that is being reserved for datacasting. It has been reported that the minister has asked ACMA to clear the technical hurdles so that the spectrum set aside for datacasting is ready for use on 1 January 2007. Can ACMA confirm this?

Mr Tanner—That has been publicly announced. ACMA indeed is in the process of finalising a discussion paper which raises a number of issues that would need to be settled before we decided how to allocate that spectrum. However, that paper will not go out until the government has gone out with the paper—a much more overarching paper which deals with unresolved policy issues. The intention is that we will bring that paper out very soon after the department comes out.

Senator LUNDY—So you have prepared the paper, it is now being considered by the minister and the next step is that the minister releases that paper. Is that correct?

Mr Tanner—No, we would be releasing it. Actually our paper will only deal with the administrative issues around allocating those channels. There are quite a few unresolved questions before we put those channels back to the market again.

Senator LUNDY—What are the unresolved questions?

Mr Tanner—For example, we have not decided in what sort of lots we would sell them—whether we would sell Australia-wide packages or whether we would sell discrete channels in one market. We have not resolved exactly how the licensees would deal with any interference they caused to other people's domestic reception equipment, such as television. You may be aware that the television industry has an interference management scheme that it operates with government and with ACMA, but it is not clear how the datacasters would fit into that regime. Basically, a lot of the questions that we have to ask I think would be informed by some better indication than we have at present of what the actual market for these services is: whether it is for people who want to run free-to-air datacasting services like the trial we are

seeing in Sydney at the moment; whether it is of interest to pay television, and whether or not it is of interest to mobile television operators—these sorts of questions. If we can get a bit of information from the market about what the interest is in this spectrum, that is going to help us to decide how to allocate it—if and when the government indicates that it would like us to proceed to allocate it.

Senator LUNDY—So there are a series of essentially political decisions that need to be made about how spectrum is bundled, now that you have provided your administrative detail. Perhaps I should ask the minister what the range of issues are that she needs to now consider before making an announcement about the allocation of spectrum and presumably its availability on 1 January next year.

Senator Coonan—I will not be sharing with you all of the range of decisions that I need to make, Senator Lundy, but—

Senator LUNDY—Just a range of issues is fine, Minister.

Senator Coonan—No, I am not going to share those with you. I am going to be releasing a paper shortly, but of course you will not want to read it, will you?

Senator LUNDY—We just heard from Mr Tanner some of the issues that obviously ACMA are not dealing with, that are left to the government. I might be better off pursuing this with the department officials when they come to the table, if it is the case that you are going to be—

Senator Coonan—They are policy matters, Senator Lundy, so I am not going to discuss those.

Senator LUNDY—We have just had an officer describe the types of issues. I really was just looking for your confirmation that you are considering those issues.

Senator Coonan—I have asked ACMA to do precisely what Mr Tanner has outlined.

Senator LUNDY—Mr Tanner, the report said that there were technical hurdles. Is ACMA confident that the technical hurdles have been overcome, or does that relate to—

Mr Tanner—We are not talking about technical hurdles; we are pretty confident that the channels work. The issues—

Senator LUNDY—I am curious because that was the phrase used in the report that I am referencing. In a report of this decision, ‘technical hurdles’ were cited as something that needed to be resolved.

Mr Tanner—I am not sure what you are quoting from, but the issue for us is that, given the minister’s stated—

Senator LUNDY—It was a *Financial Review* article on 9 November.

Mr Tanner—Given the minister’s stated intention that there is a contingency that ACMA may be allocating those datacasting channels soon, there is a fair amount of information we need in order to ensure that the allocation process is appropriate to the kind of market we are going to face. I have given you an indication of the sorts of issues that we need to deal with.

Senator LUNDY—Minister, you said that you would be releasing this paper soon. Once that paper has been released, will that permit the auctioning off of that spectrum?

Senator Coonan—No.

Senator LUNDY—What will need to be done after you release your paper?

Senator Coonan—You will have to wait until it is released. It will set out a range of issues that will inform the government's policy decisions.

Senator LUNDY—So then the government will need to—

Senator Coonan—There has been no decision to allocate any further datacasting licences.

Senator LUNDY—So issues like the size of the blocks of spectrum are not something that you have considered?

Senator Coonan—It is not something that I am prepared to talk about now, because the government will need to take a policy decision about whether to allocate them before we would be concerned about that. But, on the basis that the government may wish to make a decision along the lines of issuing further datacasting licences, ACMA has been asked to prepare appropriately for it.

Senator LUNDY—Can ACMA confirm that in Sydney the spectrum is being used for a DVBH trial for mobile TV and that a datacasting trial is being run by Broadcast Australia?

Mr Tanner—Yes.

Senator LUNDY—When do these trials finish?

Mr Tanner—From memory, I believe they finish around the third quarter of this year.

Senator LUNDY—Will those trials inform government policy development in the area, Minister?

Senator Coonan—Clearly, all trials that look at effective use of channels or spectrum are something that you would take into account.

Senator LUNDY—Can you confirm that it is still government policy to have some of that datacasting spectrum released by January 2007?

Senator Coonan—I am not going to confirm that.

Senator LUNDY—You are not going to confirm that?

Senator Coonan—I am not confirming it.

Senator LUNDY—Is that up to question?

Senator Coonan—As you know, there are certain legislated sunset provisions that finish on 1 January next year, so that leaves open the possibility for the government to make some decisions about it. That is a policy decision for government.

Senator LUNDY—Your approach will be to issue a discussion paper and then the government will make further decisions from there.

Senator Coonan—The government is going to be making further policy decisions in relation to all of the areas that relate to broadcasting and digital.

Senator LUNDY—Including a discussion paper on datacasting?

Senator Coonan—No, I am not saying that there is going to be a discussion paper on datacasting. My current thinking is that there will be a paper that will attempt to gather together the issues that will inform the policy outcomes that the government will decide upon.

Senator LUNDY—You are not confirming that there will be new datacasting spectrum, and there are a whole lot of policy issues that you are still considering, including a couple of discussion papers?

Senator Coonan—No, I have not said that, Senator Lundy. You are putting words in my mouth.

Senator LUNDY—Sorry, I do not mean to. The paper that is being compiled now, that has a range of political issues that you are not prepared to discuss—that will take the form of a discussion paper?

Senator Coonan—It will discuss a broad range of issues, yes.

Senator LUNDY—Right, and following that you will get feedback from pay TV, free-to-air and all the stakeholders?

Senator Coonan—That is what usually happens.

Senator LUNDY—Then you will consider the government's policy on whether or not you actually release blocks of spectrum.

Senator Coonan—Absolutely. We would not pre-empt these decisions.

Senator LUNDY—No, I am just trying to get the chronology correct. And of course all of those decisions would determine when ACMA was in a position to actually auction that spectrum.

Ms Maddock—Or take whatever action was needed.

Senator LUNDY—I think I have got that sorted out.

Ms Maddock—Can I just correct Mr Tanner: the radio trials by CRA and Broadcast Australia are due to end in May 2006.

Senator LUNDY—May, not September.

Ms Maddock—I am not sure about when the television one—

Mr Tanner—I am sorry, I did not understand that the question was about the radio trials only.

Senator LUNDY—I see, this is the radio trials.

Ms Maddock—The radio trials. The CRA and Broadcast Australia one is in May; I think the other ones are in September.

Senator LUNDY—Can you just take on notice to provide the committee with full details of all trials that are taking place.

Ms Maddock—We will let you know on those ones, yes.

Senator LUNDY—On the digital spectrum, yes.

Ms Maddock—Sure.

Senator LUNDY—I think Senator McLucas has a few questions for ACMA.

Senator McLUCAS—I wanted to talk about the regional licensing. This time last year you advised us that you were undertaking an audit. Could you tell me the results of the audit that you undertook?

Ms Maddock—From February 2005 to July 2005 all licensees met their obligations. I will come back and qualify that in some way.

Senator McLUCAS—I am sorry, Ms Maddock, I am just going to turn this urn off. Could you start again please?

Ms Maddock—The first requirement was that they achieve 90 points in one week, and they all met that. The second requirement was that they achieve the 720 minimum points requirement in six weeks; they all met that. That is for the period February to July last year. We had and are having an ongoing dialogue with them, because our independent auditor—who was not them, obviously—says that they met it, according to all her assessments. The way they were classifying things, though, was at odds with that.

Senator McLUCAS—Can I stop you and go back a step. You are talking about the February to July period, and everyone complied. Are they the four licensees that you were auditing or everybody who had—

Mr Tanner—The licensees in respect of two local areas in one of their licence areas. That was the subject matter of the audit.

Senator McLUCAS—So this is the audit; this is not the general compliance—it is ongoing.

Mr Tanner—Yes, that is correct.

Ms Maddock—Let me qualify. Everyone met it by the self-classification. The audited people met it as well by the audited classification. What has been concerning us is that the audited classification gave slightly different results than the self-classification because they were taking different views on different programs. So we are confident that everyone got there, but we are not confident that everyone understood why they got there. So we have been having a series of discussions with them to make sure that they understood why they got there, so that they learn to classify properly.

Senator McLUCAS—Let us go to that. The auditor came up with different results. Was that because she was actually looking at the regional relevance question or just the straight timing question?

Ms Maddock—She was looking at the regional relevance as well.

Senator McLUCAS—The self-reporting does not. If you are self-reporting you are just saying that it is regionally relevant, that is it.

Mr Tanner—Self-reporting is really about documenting your claims. It is about saying, ‘We claim that we did two minutes then and 15 minutes then. As you see, it adds up to the right number of points.’ That is what the self-reporting is about. What the independent audit was intended to do was to have someone look at the content and assess it against the condition and form a view on how many points that independent auditor actually thought would be

earned. So, if you like, the independent auditor looked at the content on behalf of ACMA and reached conclusions about what score that auditor thought they made.

Senator McLUCAS—And that is where the disparity came in. Can you give us an indication on what issues there was a difference of opinion on between the licensee and the auditor?

Ms Maddock—I have read it somewhere, I am just trying to find it, because I have slightly forgotten. I think it was on things like what type of weather reports are categorised as local content—to what extent they have got to be specifically and only local versus local as part of a broader one. That is the sort of example on which there was a difference of view.

Senator McLUCAS—What about the regular content of the local information? Weather is a very specific one and you could make a clear decision, because if you are looking at Albury as a licence area and Albury is not there it is not local. Let's look at some that are a bit more arbitrary, that the licensee would say are arbitrary.

Ms Maddock—My recollection is that there was a certain amount of that type of thing you are talking about as well. I cannot find it in my notes but that is my recollection. There was some difference of view over how to categorise some news generally that had a local flavour.

Senator McLUCAS—Ms Maddock, is it possible to advise the committee of the difference between the audited final figure—you actually end up with the number of points that you receive in a week or a six-week block—and the self-reporting system?

Ms Maddock—I think we can do that. Let me take that on notice and I will try to make sure that we do that.

Senator McLUCAS—According to the four licensees that were audited.

Ms Maddock—Yes. The other thing I want to add is that the audited figures for the next six months are due out very shortly as well, so we will make those publicly known.

Senator McLUCAS—That is just for the self-reporting mechanism. I want to get to where there is an ongoing audit.

Ms Maddock—I understand that.

Mr Tanner—I will make just one last comment. From memory, I understand that ACMA will be meeting next month with the broadcasters that have been audited to discuss the audited findings. As this is the first time that we have done any kind of audit or really looked at the culture of compliance around the condition, and as the condition is a very complex piece of law, it is possibly going to be a two-way street. It may not just be a question about education, though I am sure that is going to be an important component in ensuring compliance. There may also be a question about the construction of the condition that we have made. So I think we will learn a fair bit from engagement with the licensees now the audit has occurred and they have considered its findings.

Senator McLUCAS—Are you thinking there might be changes to the conditions, Mr Tanner?

Mr Tanner—I would not rule that out, but what I mean is that after the first audit it will be appropriate to sit down and have a think about exactly what the issues around construction are.

Ms Maddock—Can I go back to your previous question, because I found the bit where it told me the sorts of issues that were arising between the auditor and the stations. It also included things like the definition of fresh editorial compilation—do you have to have provided new information in it to make it a fresh compilation rather than just recutting it and repackaging it? There is that type of issue is well. There is the question of whether the majority of the news story's content has to be of local significance to count as a local story. So far we have only received one complaint from the public about the way this is going. That was from someone in Bendigo. I do not think it was Senator Ronaldson.

Senator McLUCAS—What was the nature of that complaint?

Ms Maddock—They wanted to see a return of local half-hour news.

Senator McLUCAS—It is what I hear. People do not know that they have to write to you to tell you that. They just tell me in the street. What have you done about explaining to the community that you are the regulator and that you have power over the type of broadcasting that certain operators and licensees have? What have you done to explain to the community that you are the entity they can complain to on this particular issue?

Ms Maddock—My recollection is that we did a reasonable amount of public awareness raising at the time the condition was put in.

Senator McLUCAS—Which was when—2003 or 2004?

Ms Maddock—It started in February 2005. I take the point that it might need refreshing and we will look at that.

Senator McLUCAS—Even people who are closely involved in media do not know that you are the person to write to to say that they are upset that some broadcasters are doing the right thing and giving us half an hour of news every night and others are not.

Mr Tanner—Our rule does not require half an hour of news every night. That is perhaps the first thing to say.

Senator McLUCAS—I know that, but that is what the people want. We have had this discussion before. A year ago you said that after the audit process was completed you were going to make a judgment about whether you wanted an ongoing audit process or whether you would do this from time to time. Has ACMA come to a view on that?

Ms Maddock—We are going to meet with the ones we have audited in late February and we will make a decision after that. We want to talk about what the differences were so that we can get a feel for how much the differences are going to be endemic or can be resolved before we make a decision on whether we need to continually audit in that way. Nonetheless, I think that as a way of operating we like the concept of having random—random in inverted commas—targeted audits every now and again so that people do know that they have got to do the right thing.

Senator McLUCAS—Sorry, I am not following: it is either random or its targeted—one or the other.

Ms Maddock—It was a bit convoluted, wasn't it? I meant to withdraw random audits, because we do not do random audits; we do targeted audits. As a method of operating we like to do audits every now and again. We judge how often we need to do them by what we think is the level of potential noncompliance plus the risk of what happens if there is failure. We will make that decision after we have had the chat to them in February, when we can assess both what the risk of failure is and the level to which there is understanding of the obligations. That is a longwinded way of saying that we like audits and we will decide in late February—we are almost there.

Senator McLUCAS—Would it be possible to advise the committee after that meeting what you intend to do?

Ms Maddock—After the meeting I would envisage that there would be a paper to the authority. So it may be early March by the time we inform you, but it will be as soon as we have made a decision.

Senator McLUCAS—Is it possible to provide the committee with a copy of the auditor's report?

Ms Maddock—I am advised that there are whole slabs of it that are confidential to individual stations. Can I look at that—take that on notice and look again? I am conscious that I said to you last time I was here that we would be trying to make it all public. I am still trying. If I can come back to you on that out of session, that would be good.

Senator McLUCAS—Thank you. Among the four audited stations, one of those stations produces a half-hour program that is broadcast on a Saturday and then some five-minute news slots and some three-minute news slots. Is it fair to say that that station performed not as well as other stations that provided a half-hour news slot on a Monday to Friday?

Ms Maddock—I do not have the individual station results with me but, looking at the stations which were audited, I would say that stations like WIN, who have traditionally put a lot of emphasis on local content, would have come out much better than those stations that did not. I think WIN is one of those. NBN is another, I think, that has traditionally had dedicated half-hour local news and a very heavy local focus.

Senator McLUCAS—I understand that that you are turning the question around into the positive rather than the negative way that I asked it.

Ms Maddock—Sorry, sure, but they are the same. Those who do not have a regular half-hour are less likely to come out well. Mr Tanner wants to say something, I think.

Mr Tanner—No, that is right. The situation that our factual inquiries revealed when we looked at this before we imposed the condition was that we had some licensees and some markets that were doing a lot of local content and we had some that were doing almost none apart from advertising. The condition sets a floor below which it is illegal to fall in terms of locally relevant content. Yes, I am quite sure that you can go through the different networks and you will see that with some of those that were doing a good job before the floor was set at a point where they are far above it. But what we are interested in is whether or not they are complying with the floor that we set.

Senator McLUCAS—Sorry, you are not there to comply with the floor.

Mr Tanner—No, what we are interested in is whether each one is complying with the condition which sets a floor on locally relevant content below which they cannot legally fall.

Senator McLUCAS—Thank you.

Senator LUNDY—I have just got a few more questions relating to the report that ACMA is considering taking spectrum that is currently used by TV broadcasters for electronic news gathering and live sport and reallocating it to wireless internet service. Can you confirm if that is the case; and, if so, will that mean that stump-cam is under threat?

Ms Maddock—Can I answer in the general and then ask Mr Tanner to answer in the specific? There are a whole lot of people who want that spectrum. The electronic news gathering people are there; they have been there for a long time and they have invested a lot of money in things like stump-cam and electronic news gathering equipment. What we have done is say, given the amount of demand for it, let us have a discussion about who needs what, who can work on a shared basis, who can use other bits of the spectrum. We do not have any predetermined views on any of it. We just know that there are a lot of people out there with strongly contrasting views, and we want to get them starting to talk about ways in which what seem to be mutually conflicting needs can be worked around or can be worked through.

Senator LUNDY—Do the broadcasters have guaranteed rights to that spectrum at the moment; and, if so, for how long?

Ms Maddock—My understanding is that it is not allocated spectrum in that sense; it is merely spectrum that they have been using.

Mr Cheah—It is not a spectrum licence.

Mr Tanner—This licence is an apparatus licence. They do pay for it. Apparatus licences, though, cannot exceed five years in length, so they have no certainty of tenure after that. But obviously they have a whole lot of expectations around the continuation of their business.

Mr Cheah—The other thing is that the discussion about the ENG spectrum is also in the context of a much broader discussion about the appropriate spectrum needs for wireless broadband in the longer run, and we want to have that discussion. So we are not just looking narrowly at the ENG spectrum; you actually do need to look at that issue in a broader context, because if there are other ways of addressing issues then that would be a good thing.

Mr Tanner—I think you were actually referring to a Jane Schulze article—the stump-cam story?

Senator LUNDY—Yes.

Mr Tanner—I think it was probably a bit of a beat-up. One way of looking at our task as a regulator in radio communications is that we need to accommodate developments in radio communications worldwide and ensure that Australia stays up in front and gets the new services. A lot of that is about, broadly, the transmission of broadband digital data over the airwaves. Our role is to do that in a way that accommodates the legitimate needs of existing incumbents of the spectrum.

The purpose of this wireless access paper was to begin a strategic discussion, first of all about the requirements of wireless access going forward—just how large are they? We know it is a worldwide trend. On the other hand, the purpose of the paper was also to really start

looking at the bands which look like candidate bands—short, medium and long term. I think we were very clear in the paper that, in doing that, we recognised that there are incumbency issues and those need to be accommodated. So, rather than it being a question of turning off the distribution of television programs for electronic news gathering, stump-cam or whatever, it is an issue about how much we need that piece of the spectrum and in what sort of time frame and, then, what kinds of possibilities that may raise in terms of reutilising that spectrum in more efficient ways—what sorts of pressures that might put on existing incumbents and what sorts of options they might have.

What I would see with that issue of the spectrum used by the electronic news gathering is that, in the event that the foreseen demand warrants it, we will continue the discussion by looking at a range of options around how that spectrum could be used which do accommodate the business needs of incumbents as well as, I think, the ongoing needs of the expanding Australian economy.

Senator LUNDY—Is there any other spectrum that could be used for news gathering or this sort of live-cross role?

Mr Tanner—I understand that there is a possible candidate band but, as I say, this is not a discussion that we are getting deeply into. I think that, if the longer term pressure warrants it, we will be exploring a range of options with the television incumbents.

Senator LUNDY—So is there other spectrum that could be used for this purpose or not?

Mr Tanner—There is potentially another band, yes.

Ms Maddock—There are costs involved, however, because equipment has been configured to use the band that they are currently using.

Mr Tanner—Yes.

Senator LUNDY—And I understand that there has been a bit of investment recently by some of the broadcasters?

Ms Maddock—I understand that, yes.

Mr Tanner—Yes. I think it is fair to say that it is quite easy, on behalf of an incumbent of spectrum, to say that this is about stopping a service that we obviously need. Very often, we are talking about change, accommodation and extra expense, rather than about existing users having somehow no legitimacy.

Senator LUNDY—Sure. Is there an international standard that you are aware of for spectrum used for news gathering?

Mr Tanner—I am not aware of that.

Senator LUNDY—Could you take that on notice?

Mr Tanner—Sure.

Senator LUNDY—You are preparing a discussion paper—is that correct?

Mr Cheah—The discussion paper has been released. It was released last week.

Mr Tanner—The discussion paper was released?

Senator LUNDY—The discussion paper has been released, so you are getting feedback from that?

Ms Maddock—The next step is that we have a seminar planned for 6 and 7 March to which I think we have about 150 people coming, because we want to get all the techos in a room to start talking to each other about what the possibilities are.

Senator LUNDY—And then what happens?

Ms Maddock—It is going to be a long process. It is going to be a number of years, I would imagine, as these issues get sorted out. That is appropriate, because the recent enormous, urgent pressure on it at the moment is just something that has to be sorted out in the longer term.

Senator LUNDY—Could you take on notice to provide the committee with details about what spectrum is being used for this purpose, how much has been paid for it and the terms and conditions for that.

Ms Maddock—For ENG? For electronic news gathering?

Senator LUNDY—Yes.

Mr Tanner—Sure.

Senator LUNDY—That is all I have for ACMA. I am also doing the questions for the department, so I am happy to move to them straight away.

CHAIR—We are going to Senator Ronaldson now with some questions for ACMA.

Senator RONALDSON—Just before I duck back to my office to see if the florist has been!

Ms Maddock—Happy Valentine's Day, Senator!

Senator RONALDSON—Thank you very much, Ms Maddock; that is very generous of you. I think, by the look on your face, you think that I might be bit disappointed when I get back to my office, and I have a horrible feeling that you might be right!

At the last estimates, Mr Tanner and I discussed the Goldfields FM situation. I would like to thank Mr Tanner and his colleagues for agreeing to meet with me, which we did, in relation to that matter. I thank you very much for that. Just for the sake of completeness, if you could perhaps update the committee on the discussions that we had and what outcomes there have been.

Mr Tanner—I believe, Senator, you have communicated to the aspirant group. We have not been in direct contact that I am aware of, but I understand you have talked to them, and I have had some feedback from that. The situation, as they understand it, is that there is a risk that any available spectrum will be needed for the current round of planning of enhanced national services in regional Victoria. That planning work is actually being done by a consultant, Gibson Quai, engaged by ACMA to do planning for the national services. The planning in the area where Goldfields is interested in operating will be done in the course of March. My most recent information is that that is completely on track. We have raised the issue with the consultant, and they will be looking at the question of whether there might be

additional capacity. We should be in a position in March, once we have that report, to really see if we have a problem here and to come back and talk to the group about the issues.

Senator RONALDSON—So they will be factoring that request into their report?

Mr Tanner—They will do that. We recognise the difficulty the group has experienced with the reservation arriving after they had done the consultant's work, and we are certainly happy to raise the issue with Gibson Quai and ensure that we are in a position to look at all options.

Senator RONALDSON—As we discussed last time, there is not an FM station in Maryborough. There is a community group that has raised money, and the local government is involved. I think there are actually two or three FM stations in Bendigo, and the community is very anxious to get this up and running. So we will keep our fingers crossed in relation to the report.

Mr Tanner—I certainly understand that.

CHAIR—I think that is all for ACMA. Thank you very much for appearing. My remarks earlier were really just in general terms. I do like to see agencies having all their people here for estimates. Thank you for being here. We now call the department.

[10.33 am]

Department of Communications, Information Technology and the Arts

Senator LUNDY—I would like to start with the much anticipated media policy discussion paper. I note, Minister, you alluded earlier to an overarching policy paper. Can you give the committee an indication of when that paper is likely to be released?

Senator Coonan—No, I cannot, really. Obviously I will release it when I am ready. There was a committee report yesterday that I want to have a good look at.

Senator LUNDY—You are not trying to just avoid a bit of estimates scrutiny on this issue, are you, by holding back?

Senator Coonan—I am very happy for estimates scrutiny, but it is not quite ready.

Senator LUNDY—Minister, it is probably useful for me to remind at least the committee that there has been some slippage in the timetable for the release of this paper. I would like to quote from your Press Club address last August:

I hope to have in place a framework before the end of the year that would enable the Government to consult with consumer groups and the community more broadly about our reform plans.

While it may not be possible to have legislation introduced by the end of the year, I would certainly like to be in the position of having a settled framework by that time which I can take forward early in 2006.

Why the delay? Has the Prime Minister been getting his red pen out?

Senator Coonan—Red pen? No, I do not think he uses a red pen. You will remember that late last year there were quite a lot of other issues on IR and a couple of other matters. I have in mind that when it is released there will probably be a fairly short consultation period, so I certainly did not want to drop it on people over Christmas. Miss Kelly's committee has just reported, and there are a few other things I want to consider.

Senator LUNDY—Both you and the Prime Minister are on the record as saying you have broad industry support. Are you of the view that you do have broad industry support?

Senator Coonan—I am not going to speculate about that. That is what we will find out, won't we?

Senator LUNDY—You are both on the record as saying it. Is that still the case or has something changed?

Senator Coonan—We will find out, won't we?

Senator LUNDY—I do not know. Will we?

Senator Coonan—I think we will.

Senator LUNDY—Minister, is the fact that some 80 per cent of Australians say they do not want a reduction in media diversity being factored into your considerations?

Senator Coonan—You will find out when the paper is released.

Senator LUNDY—How long will the period of public consultation be?

Senator Coonan—No decision has been made about that yet, but it will not be a long period of months and months.

Senator LUNDY—Could it be as little as four weeks?

Senator Coonan—I am not sure.

Senator LUNDY—You are not being very helpful, Minister.

Senator Coonan—What I have said is that it is not going to be a long period. Months and months is a long period. A short period is a matter of weeks, but no decision has been made on how many weeks.

Senator LUNDY—Can you rule out it being less than four weeks?

Senator Coonan—No, I am not going to rule anything in or out.

Senator LUNDY—So it could be as little as four weeks?

Senator Coonan—I am not ruling anything in or out.

Senator LUNDY—Minister, how is it possible to take this exercise seriously when you have been talking about it for so long, in fact nearly 12 months, yet no-one has seen anything specific?

Senator Coonan—I do not propose to respond to that.

Senator LUNDY—Now you are refusing to rule out not giving people longer than a month to consider it. All the time has been spent with this document or discussion paper or policy consideration in your hands, but the people that really need to be consulted, the community, may well—and we do not know, because you will not say—be deprived of adequate consultation and scrutiny. Is that a fair reflection?

Senator Coonan—That is your comment. It does not seem to be a question.

CHAIR—The minister has a point, Senator Lundy. We are here to ask questions.

Senator LUNDY—In question time last week the minister stated:

... in many regional markets the number of independent media groups is already at or below four and hence no further consolidation would be permitted under this approach.

I think that is in reference to the diversity test. Can the department provide the committee with a breakdown of the number of independent media groups in each regional market?

Mr Cameron—We could provide that information, yes.

Senator LUNDY—Can you provide it now or are you happy to take it on notice?

Mr Cameron—I would have to take it on notice. The information would be based on the publicly available data from the Australian Communications and Media Authority.

Senator LUNDY—Can we get some sort of undertaking from the committee that we do not have to wait until next estimates before we get those answers?

CHAIR—Usual rules apply. If you put questions on notice, they will be answered within—

Senator LUNDY—Well, we are still waiting. I think there is one outstanding question from this portfolio and we are in the next round of estimates already.

CHAIR—But it will be answered. I am sure of that. There are many reasons why questions do not get answered, and I think we have to have confidence in the system.

Senator LUNDY—We will look forward to the answer, because it will test the minister's claim about how many media operators are in each regional market. It will be good to get those answers as soon as possible.

CHAIR—I am sure they will come through.

Senator RONALDSON—How many questions were answered? There was one that was not. How many questions were?

Senator Coonan—There were 360-something or other answered. There were a lot of subsections in those sections, so there were literally hundreds of questions.

Ms Williams—Yes.

Senator Coonan—It takes the department the most extraordinary amount of time to answer these questions.

Senator LUNDY—Perhaps, Minister, you would like to tell the committee which question is outstanding.

Senator Coonan—It relates to reviews.

Senator LUNDY—The number of reviews that are going on?

Senator Coonan—Yes.

Senator LUNDY—We are still waiting for that answer. Perhaps you could answer it now.

Ms Williams—It may have been tabled by now; I am not sure. Anyway, it is close to finalisation.

Senator LUNDY—It would be nice to get it today. Given that we have a question on notice that has not yet been provided to the committee about the numbers of inquiries,

reviews, investigations or discussion papers that are currently being conducted, can I take this opportunity to ask the department what the answer to that question is.

Ms Williams—Sorry, Senator Lundy, I did not hear. What was the question?

Senator LUNDY—How many inquiries, reviews, investigations or discussion papers has the department conducted in the last year?

Ms Williams—I do not have the paper here, sorry—but it is coming.

Senator LUNDY—But you are here before the answer to the question is here. You have prepared that question. Why can you not answer it?

Ms Williams—Yes, we have. It is being finalised, as I said to Senator Conroy yesterday.

Senator LUNDY—But you are here now. You prepared the answer, surely.

Ms Williams—I did not personally prepare the answer.

Senator LUNDY—Not you personally, but your department.

Ms Williams—Yes, and it is being finalised.

Senator LUNDY—So, what is it?

Ms Williams—I do not have the answer here—I am sorry, Senator Lundy. But it will be tabled today—in fact, I hope this morning. It may have already been so. But, anyway, it is on its way.

Senator LUNDY—So, even though you prepared this question, I presume some time ago, and it has gone to the minister's office—when did you actually send the answer to this question to the minister's office?

Ms Williams—I will have to get you that information as well; I do not have it.

Senator LUNDY—If you could take that on notice, too. We might get that before the next estimates.

Ms Williams—Yes. Could I just add that it has obviously been an iterative process. There was a number of parts to the question and some of the parts were not completely answered, which is why it has been delayed.

Senator LUNDY—It will not surprise you to know that we have had a look at the website and it seems that there are at least 26 papers or reports that are open for consultation with the department. That constitutes effectively about a review per fortnight, and I do not think that is the complete list. Perhaps you could tell me how many of these reviews have actually resulted in new legislation being brought forward.

Ms Williams—That is what Senator Conroy asked yesterday. We will have to wait for the answer, I am sorry.

Senator LUNDY—Hopefully we will get those answers before—

Senator Coonan—Senator Lundy, can I clarify: are you referring to a review that is in play? In other words, if a review is being conducted, obviously you would not have taken action as a result of it.

Senator LUNDY—No, I appreciate that.

Senator Coonan—Or does the question go to reviews that were held that did result in—

Senator LUNDY—Both. We are trying to get a picture of how many reviews are being conducted—how many have been concluded, how many have not, how many are still ticking over and so forth. Until we get the answer to that one outstanding question it seems that the department is not prepared to even provide that information at the table. I think it will be an interesting thing if we get the answer to that question before this portfolio concludes, which hopefully will not be in the too distant future.

Senator RONALDSON—Are all reviews designed to get a legislative response?

Senator LUNDY—Not necessarily, I would expect.

Senator Coonan—Some of them are initiated because of an issue that is brought to my attention and it becomes a process whereby you have to inform yourself before you make a policy decision; others are brought forward by the department. All departments conduct reviews a lot of the time, and this department has a great number of agencies.

Senator RONALDSON—The premise of Senator Lundy's question is: review equals legislation. I do not think that is right.

Senator Coonan—A lot of them are required by legislation. For instance, all the digital reviews were set into legislation. We do not have any choice about some of these—we must do them.

Ms Williams—But obviously, Senator Ronaldson, some of the reviews will come out with the answer that legislation is not necessary.

Senator LUNDY—I turn now to the digital television reviews. I know this is an issue that Senator Conroy has asked questions about fairly consistently. Can the department update the committee on the progress of the digital reviews that are required to be conducted under the Broadcasting Services Act? And can the department confirm the fact that only the review of the feasibility of an Indigenous TV broadcaster has actually been released, but that none of the others have been completed and/or tabled? Is that true?

Mr Cameron—There are 11 separate statutory review requirements that we generally call the digital television reviews. You are correct that the review of the viability of creating an Indigenous television service was tabled last year. Of the other reviews, the public consultation process has been completed but, as indicated in the discussion papers for those reviews and consistent with past practice, the department will finalise reports for those reviews and table them at the same time that the government has considered the outcome of those processes.

Senator LUNDY—Let me get this straight: the legislation states that the reviews have got to be tabled within 15 sitting days after completion; has the clock started ticking on any of the outstanding reviews that the department has completed?

Mr Cameron—The legislation has two time frame requirements. One is that the minister cause reviews to be conducted by a certain date, and that requirement has been met. The second one is that a report of the reviews be prepared and the report be tabled within 15 sitting days of the report being finalised.

Senator LUNDY—So, if they have been done, what is the hold-up?

Mr Cameron—As I indicated before, it has been past practice in this area for the reports to be prepared at the time that the government has considered the outcomes of those reviews, and those reports will be tabled in due course.

Senator LUNDY—So, Minister, are those reports with you?

Senator Coonan—Yes, they are.

Senator LUNDY—Just to clarify this, these reviews will not be technically completed for the purposes of clause 60 schedule 4 of the Broadcasting Services Act until you choose?

Senator Coonan—Well, that is as I understand it—until it is completed, and until my consideration of them is complete.

Senator LUNDY—So your position is that these reviews will not be technically completed for the purposes of the act, and hence do not have to be tabled, until you have considered them?

Senator Coonan—That is the technical answer, but the substantive answer is that I am considering them in the context of looking at the whole scope of what I think needs to happen as a policy response on media—

Senator LUNDY—The broader media policy thing?

Senator Coonan—so I will complete my consideration of them about the same time as we release the media paper.

Senator LUNDY—I take on board what you have said but, technically, under that interpretation of the act you could continue considering them right up until the next election or whenever?

Senator Coonan—I suppose I could, but I do not intend to.

Senator LUNDY—Do you believe that this is what parliament intended when parliament inserted into the legislation that reviews should be tabled 14 days after they are completed? Do you think the intent was to give ministerial discretion on the timing of the tabling?

Senator Coonan—You are calling upon me to give a legal opinion or a construction of a—

Senator LUNDY—No, really just the intent—

Senator Coonan—Excuse me, can I just finish my answer?

Senator LUNDY—Sure, sorry.

Senator Coonan—I do not think I should really try to give some sort of legal view on the run. My department has advised me in the terms that have been put to you this morning. I have no reason to think that that is an incorrect interpretation. That is what I will follow.

Senator LUNDY—Just to confirm this, I understood from your earlier comment that you intend to complete these reports for the purpose of the technical clause in the act and table them in the parliament when you release the media discussion paper?

Senator Coonan—It may be about then; I am not saying that it will be at exactly the same time. But I have no intention of not completing the reports.

Senator LUNDY—I have a couple of questions about the ABC board. It is currently two members short of its full complement of nine members. Does the government intend to appoint the other members to the board, or is seven a number you are happy to live with for a while?

Senator Coonan—As I understand it, it is quite legally constituted with that number. But, as I have said in answer to previous questions of this nature, the government is always interested in worthy candidates, appropriate candidates, and I continue to look for appropriate people. I like to have that opportunity to appoint more if appropriate people are available.

Senator LUNDY—Is it your plan to make any more appointments before the new managing director is appointed?

Senator Coonan—I am not going to pre-empt when we might appoint anybody else.

Senator LUNDY—Mr McDonald's term as chairman expires in July. Are you considering reappointing him for a third term?

Senator Coonan—I would not be pre-empting that.

Senator LUNDY—At the budget estimates hearing you said that the current board is 'a bit eastern seaboard centric' and that you 'would like to get some geographic balance'. Since that time you appointed Mr Skala from Melbourne. Are you still interested in getting that geographic balance to which you referred?

Senator Coonan—Yes, but Mr Skala was an absolutely outstanding candidate who brings business skills and judgment to the board. He has a lot of available skills, and he was prepared to accept an appointment. The fact that I am interested in people from states other than eastern seaboard states does not preclude considering outstanding candidates from the eastern seaboard.

Senator LUNDY—Will the government advertise for board positions in South Australia, Western Australia and perhaps the Northern Territory?

Senator Coonan—I have not got that in mind.

Senator LUNDY—What would the process be for people to express an interest? Do they give your office a call or the PM's office a call?

Senator Coonan—A lot of people make it known to their local members. They can contact my office or contact the ABC board. Anyone who wants to can certainly bring forward their credentials for consideration. There is no impediment to anybody doing that.

Senator LUNDY—Turning to the issue of ABC funding, has the government—or have you, Minister—received the KPMG report examining the ABC's funding adequacy and efficiency?

Senator Coonan—No.

Senator LUNDY—Have you seen a draft?

Senator Coonan—Yes.

Senator LUNDY—Did you provide any changes or suggest any changes to the draft?

Senator Coonan—I am not going to go into the process of how this report is being conducted. It is a document that is being used congruent with the triennial funding. It forms part of the government's budget considerations.

Senator LUNDY—I guess what I am trying to get to is that taxpayers have paid a lot of money for this report. I think it is very important for the purposes of accountability that the parliament can be assured that this report will be an independent report and not one that has been manipulated by input from your office.

Senator Coonan—I think that is an entirely appropriate question, and the answer is no, it has not been manipulated.

Senator LUNDY—I might place some more questions on notice with respect to that issue. I know that Senator Wortley has got some questions about the orchestra, so perhaps I could pass on to her and then I will come back.

Ms Williams—I think the orchestra questions, Senator Wortley, would be more appropriate under the arts section.

CHAIR—I did make that point to Senator Wortley, I have to say.

Senator LUNDY—No, that was my mistake. We are just making sure that we can ask it in the correct place. So we will do that under the Arts portfolio.

Senator WORTLEY—I would imagine that some of the questions would be related to the department as well.

Senator LUNDY—With respect to the ABC's role.

Senator WORTLEY—Yes, with respect to the ABC's role.

Ms Williams—I think altogether, though, if we could answer anything that we are aware of under the arts section, because we would have the right officers there.

Senator LUNDY—I also have some questions about drama on the ABC and will just check that you are happy for me to ask those, even though they reference the ABC specifically, under the departmental Arts portfolio rather than here.

Ms Williams—We could answer the drama questions now.

Senator LUNDY—You would like to answer the drama questions now?

Ms Williams—I do not know what the questions are, but I think so.

Senator LUNDY—The first question is to the minister. Is she concerned that the ABC delivers less than 20 hours of locally produced drama or, in the case of first-run long form drama, only three hours?

Senator Coonan—Yes, of course. It is part of the general suite of things that are being addressed as part of looking at efficiency and adequacy and also looking at what is appropriate funding triennially for the ABC. Obviously it is an important component and, yes, I am concerned that it has dropped to that very poor number.

Senator LUNDY—So, Minister, you concur that the ABC does play an extremely valuable role in developing and producing local drama?

Senator Coonan—I most certainly think it can do and I think it is an important part of what the ABC does.

Senator LUNDY—Minister, that is a lovely segue into my next question, which is: will you look favourably on the ABC's request for an increase of \$20 million per annum for investment in quality Australian television content?

Senator Coonan—I am not going to be drawn on numbers and figures—

Senator LUNDY—I suspected you would not be.

Senator Coonan—The principle is that the ABC does play an important role with respect to local content. Let's not just leave it only at drama. It is something that really does exercise my mind.

Senator LUNDY—That is good to hear. What methods or policies are you able to point to to give effect to your concern to increase the proportion of locally produced drama on the ABC?

Senator Coonan—You mean mandate further—

Senator LUNDY—Not necessarily mandate. What initiatives either are you considering or have you already announced that will improve that—

Senator Coonan—You would need to ask the ABC that, because they have got quite a few things that they do. How they program is a matter for them. But the government is obviously concerned in this triennial funding round to ensure that the ABC is adequately resourced to carry out its functions. That is one of them.

Senator LUNDY—I will place on notice the rest of the questions to the ABC. I think I am probably better off directing my questions relating to the broader film and Australian content package that was announced at the last election to the Arts portfolio. I think that is probably more appropriate.

Senator RONALDSON—Let us take up the matter raised by Senator Lundy. This was a matter that I raised at the last Senate estimates. What came out of that effectively was that the ABC had made a value judgment in relation to their drama production. They are the ones who have to wear the full blame for this appalling reduction in drama production. To come back and say that it is someone else's fault I think is a bit rich, quite frankly. They made a decision within that budget and their priorities that they were going to reduce it. My challenge to them is to unbundle it and start spending in areas that we think are appropriate.

Senator LUNDY—Going back to the questions I was asking ACMA earlier, how many submissions has the department received in relation to the issues paper on enforcing or strengthening ACMA's enforcement powers?

Ms Williams—I think there were 12 submissions.

Senator LUNDY—Were the submissions generally supportive of strengthening those enforcement powers?

Mr Cameron—Senator, I think it is fair to say that there were quite a range of views expressed in relation to most of the proposals contained in the discussion paper.

Senator LUNDY—Could I ask the minister if it is the government's intention to introduce legislation on this issue once you have considered those submissions?

Senator Coonan—It is a policy question and I am waiting for—

Senator LUNDY—That is why I am asking you, not the department.

Senator Coonan—It is not an announced policy position. What I will be doing is getting advice from the department and then the government will make a decision about what is an appropriate response.

Senator LUNDY—Is this an issue that might be wrapped up in the overarching media policy package or will you treat this separately?

Senator Coonan—No. It is a separate process.

Senator LUNDY—Minister, last year in the wake of the *Big Brother* controversy there was a suggestion that the minister should be given the power to order shows off the air if they breach the code. Is that something you are contemplating?

Senator Coonan—No.

CHAIR—Senator Lundy, we are approaching 11 o'clock, which is our break. Perhaps you would like to think about putting questions on notice.

Senator LUNDY—I have got a couple more questions for the department, then we can let them go, as far as I am concerned.

Senator Coonan—Senator Lundy, I just want to add to my answer to the other question. I am not contemplating ordering shows off the air, but it may be appropriate to look at whether or not there needs to be a more nuanced response in terms of timing, and it is something that I have sought some advice about.

Senator LUNDY—Thank you. My final questions relate to the convergent devices review. I understand the department is conducting a review of mobile content regulation. The terms of reference were released in July 2004. Can you update the committee as to what progress is being made with the review, such as: when the submissions closed, how many submissions were received; when is the review expected to report; and has the minister received a copy of the report yet?

Mr Cameron—A discussion paper on that review was released in July 2004. Nineteen submissions were made. I do not have in front of me the date that submissions were due. My recollection is that it was around September. The department has provided advice to the minister on the issues raised in that review. You may well be aware that there was a set of interim arrangements put in place by the ACA, as it was then, dealing with mobile content, and the government will be considering the findings of that review in the near future.

Senator LUNDY—Minister, you have received a copy of that report and you are considering it. That is its status. Do you intend to release it publicly?

Senator Coonan—Let me have a think about that, Senator Lundy. While I am sitting here I am not doing my work, am I, so I will give it some thought.

Senator LUNDY—I think part of your responsibility is to be sitting here, Minister. That is all I have. I think we will be placing some questions on notice.

CHAIR—Thank you very much, Senator Lundy. I thank the department for being here.

Proceedings suspended from 11.01 am to 11.17 am

CHAIR—We will resume with departmental output 3.3, Policy advice and program management that assist the development of the information and communications technology industry. I welcome Dr Badger, Dr Hart and Mr Allnutt.

Senator LUNDY—I have a number of questions about the department's activities in promoting the development of IT skills in Australia. Is the department aware that the first round offers for IT courses in New South Wales fell by 15 per cent this year after falls of 24 per cent and 25 per cent respectively in the last two years, that first preference applications for IT courses in Queensland this year are down by 12.2 per cent, completing a fall of 49.6 per cent between 2001 and 2003-04, and that first preference applications for IT courses in Victoria fell by 42.5 per cent between 2001 and 2004? What is the department's response to these figures? Are you concerned about it?

Dr Badger—As you know, the issue of supply and demand for any types of skills, particularly ICT skills, is a quite complex issue and it is a very difficult thing to get a handle on. To take snapshots of particular variations in demand, particularly in relation to the demand for particular courses at tertiary institutions is quite a complex matter. We have established a number of processes within the department and with a number of other organisations which allow us to get a considerable understanding of the nature of the market for ICT skills and the issues that are coming up on the supply side. Certainly there have been a lot of reports of fall-off in the demand for places, but in more recent times there has been anecdotal evidence of other areas of activity where there has been an increasing demand for particular types of ICT courses.

The types of things we are involved in entail, for example, an ICT foresighting exercise, which Mr Besgrove chairs on behalf of the department, and which involves a range of industry and government players. Its prime activity is about understanding the nature of supply and demand. As part of that, it also tries to get a greater consciousness of the issues amongst industry and other players. As you are well aware, the minister organised an ICT participation summit in September last year. A primary objective of that was once again to try to get an understanding of some of the factors which were militating against particular groups—for example, women and young people not being particularly attracted to IT. That exercise also led to get a greater appreciation by some of the industry players that this was an issue they had to focus on more extensively. There are also activities related to teleworking. The minister had an election commitment to establish a committee on that, and the report is due soon.

Senator LUNDY—Has it been completed?

Dr Badger—It is in the process of being completed. I expect the teleworking report to be done some time in the next month or so. In addition, we have an ongoing contact with the department of immigration and our colleagues in DEST about issues to do with the skilled migration program. Once again, that is a very complex issue. There have been a lot of reports about it which have not added much to the knowledge of the actual processes that are in play.

Senator LUNDY—You are now starting to move into what the department thinks might have contributed to the precipitous drop-off in IT involvement. What is your conclusion?

Dr Badger—I do not think there is any obvious single reason that causes it. It takes a long time for actual demand to be altered by a series of, if you like, environmental and atmospheric factors about a particular discipline or profession.

Senator LUNDY—What would you nominate as—

Dr Badger—For example, what people have variously described as the IT or dotcom bust basically had a big influence on people's perceptions of the industry. That is probably the biggest one. I think we still deal with those perceptions, particularly amongst parents of children going into those sorts of courses. There are still negatives there. Activities we have been involved in have tried to overcome that. I think the industry has sometimes reacted in too short-term a way to what is happening with their skill sets. I do not think there has been sufficient emphasis on in-house training by a lot of players, but I think that has been remedied. Certainly the AWAA appears to be focusing on that.

Senator LUNDY—Given that David Scullin has said that over the next three to five years we are not going to get the students we need, has the department drawn the conclusion that we are going to be facing a crisis in IT skills?

Dr Badger—I don't think the word is 'crisis'. The issue of ICT skills is a serious one and it is being treated as such. The government has a series of activities across the board on skill development. Our job is to ensure that we keep the ICT skills at the forefront of those activities. Certainly you cannot blithely say that it is not an issue, because there is a worldwide problem.

Senator LUNDY—You mentioned the Skilled Migration Program before. That has long been a controversial issue in the IT sector. What work has the department done to ascertain the effect of the high level of skilled migration by foreign IT graduates on the prospects or choices of Australian undergraduates, particularly in reference to the decline in those numbers that I mentioned earlier?

Dr Badger—We keep in regular contact with the people in Immigration who are, at the moment, doing a review of that program. Our objective is to ensure that the program is as flexible and has as much up-to-date information as possible. That is not an easy thing to achieve. It has got nothing to do with the department of immigration; it just is a very complex issue. You have just explained, in your question, what the difficulty is.

Senator LUNDY—It is a vicious circle.

Dr Badger—On the one hand, you have people complaining that we are getting too many people coming in, and on the other hand you have another set of people complaining that they cannot get skills for love or money, so it is a complex issue. The real situation is what we are trying to find out through the activities of the foresighting group.

CHAIR—Can we quantify the drop in the number of students? I know it is an issue in Western Australia.

Dr Badger—I am sure that, as part of the foresighting activity, there will be commentary on that.

Mr Besgrove—The work of the foresighting group, which I chair, has covered some of the issues which Senator Lundy is raising. We could take on notice the issue of the size of the reduction. The foresighting group is certainly very conscious that there has been a substantial reduction in each of the past three years.

We are also aware that there are some emerging shortages within regional areas, particularly in Western Australia. We have clear evidence that the resources boom in Western Australia is fuelling very intense demand for computer professionals. We know software companies in Perth are having great difficulty in meeting those concerns.

I might just add one point of clarification to some of Dr Badger's remarks. It is clear from the work of the foresighting group over the last year that the issue of shortages of IT workers in Australia is a multifaceted one. We have emerging evidence that there has in fact been a decline in demand for traditional programmers since the year 2000 and that, in fact, there appear to be significant numbers of middle-aged—if you like, older-style—IT workers, who have difficulty finding work, at the same time as there are emerging areas of shortage, in certain areas, like the network area, and particularly anything to do with security; IT security is a rapidly growing area. So the clear message we are getting from the foresighting group—which includes groups like ACS and the AIIA, I might add—is that it is a very complex question.

I would support Dr Badger's view. We are not, we believe, facing a crisis per se, but it is equally clear that there are emerging areas of shortage, and the foresighting group is currently finalising a report to the minister which we hope will address some of those.

Senator LUNDY—I am trying to ascertain the view of the department. I know the opposition has said that we are supportive of finetuning the Skilled Migration Program. Obviously it is necessary to fill the shortages; we cannot do without filling those skills gaps. What role do you have in working with the department of immigration to help finetune that program to ensure that it is servicing the specific needs of Australia without inadvertently creating this vicious circle and creating a disincentive for young people to choose IT as their vocation?

Dr Badger—Our primary role is to try and provide the Immigration people with as much information as we can about the real nature of the situation and to try and counsel against knee-jerk reactions of one form or another. There is a fundamental issue, of course. That is to keep everybody focused on the concept that ICT is an incredibly important, ongoing part of the productivity growth in the national economy.

So in essence our role is to ensure that when people are looking at skill migration issues ICT is kept on the agenda. But beyond that it really is trying to ensure that the skills migration people have as much information as we can get hold of and also trying to keep them in contact with what the industry people are doing and changes in perception in the industry people. There has been quite a different approach, say, by the ACS in more recent times than there was, say, four or five years ago.

Senator LUNDY—Can I ask you to take on notice to quantify the reduction in the number of undergraduates studying IT courses in each of the states. I also ask the question with reference to IT subjects at HSC level. My understanding is that in New South Wales alone

over the last two or three years 7,000 fewer HSC students are studying ICT courses. So could you also take on notice those comparisons at the HSC level. I put to you that, given that reduction at HSC level, that will in turn over the future, over the next five years, have quite dire consequences for the number of ICT undergraduates at Australian universities. So in providing the answers to those questions on notice could you provide to the committee any information or perhaps advice which you have provided to the department of immigration.

Dr Badger—We will provide as much information as we can on the statistics and whatever other material. As I said, a lot of the difficulty is trying to measure something at any point in time, but we will provide what we can.

Senator LUNDY—Can you provide those figures as both a percentage reduction and, as Senator Eggleston said, actual numbers of students as well?

Dr Badger—If it is possible to do so.

Senator LUNDY—That would be useful. Is the department aware that the President of the Australian Computer Society, Mr Philip Argy, has commented in relation to these figures? I quote:

It is easy to see what is going to happen. There will be massive skill shortages and there will be massive pressure on government to boost immigration to lift these skill sets, but then it deprives local graduates of even more jobs. It is this vicious circle.

What strategies has the department developed, out of your foresighting exercise or any other, to avoid that outcome? How will you avoid what the industry thinks is an inevitable outcome?

Dr Badger—I think we have covered a range of the activities that we are involved in. I do not think you can do anything without understanding the real nature of the problem. With all due respect to Mr Argy, he is but one industry player.

Senator LUNDY—But you know as well as I do that this problem is well understood in the industry. It has been around for a very long time.

Dr Badger—No, I do not agree that it is a problem that is well understood in the industry. I think one of the reasons we have been putting as much effort as we can into understanding the issues—and Mr Besgrove referred to a range of them—we have a number of industry players involved in the foresighting activity, and we certainly do not get the same sort of response from all of them about what they see as the issue. Certainly in the work associated with the participation summit a number of industry people focused on the issue that there a range of ways by which they could augment the skills which they needed without using traditional methods.

Senator LUNDY—You probably noticed from my questioning that there are an awful lot of reviews and discussion papers happening in this portfolio. The IT skills foresighting working group is obviously another one. Can you point to any specific actions or decisions that have been made in relation to the ICT skills shortage issue over the past few years, or is the foresighting exercise all you can point to?

Ms Williams—Can I just say—and I know I am really rounding up what Dr Badger and Mr Besgrove have said—that obviously, as they both pointed out, this is a very complex issue. It is not just a case of overall numbers going up and down. As Mr Besgrove said, it is where

the numbers are. That foresighting exercise is actually still working. I think it is really a case of the old adage of good decisions need good data. That is what we are working on. We are working on the facts and where the shortages are. I think really that process, which is a very important one, has got to come to conclusion.

Mr Besgrove—If I could add one other comment from the perspective of chairing the foresighting group, I do not believe that the issues are well understood. The reason why they are not well understood is that the data, in many cases, is very poor. Some of the reasons why the data is very poor go back to things like nomenclature. Jobs are called different things in different states in Australia. So one of the things which we do need to look at is common titles for jobs so that when you actually talk about shortages you are talking about the same thing. It is very clear that the data in many instances has been quite poor.

Senator LUNDY—Mr Besgrove, with due respect, I recall some years ago the industry skills group that would meet regularly calling one of its highest priorities the gathering of more accurate data. So what you are telling me is that we are not even at a base level in collecting that data, which is a bad reflection on the interest or policy commitment by this government to this issue. Perhaps it might be rectified with this foresighting exercise; that remains to be seen. I am not asking you to comment on that. I think that is a pretty obvious reflection of what is going on.

Mr Besgrove—What I can say in response to that is that there is a lot of work going on in relation to nomenclature, specifically for the reasons that I have outlined, and that that is an important key building block in getting a better understanding. But in also talking about the declines in demand for some aspects of IT skills and the increase in demand for others, what I am trying to convey is that it is a very multifaceted issue which does not lend itself to simple solutions.

Dr Badger—That issue is the one that we come across very often dealing with matters to do with ICT now as opposed to even three years ago. The nature of what the industry is about is changing and the nature of the skill sets of individuals is changing.

Senator LUNDY—Again, with due respect—and I do not mean to interrupt—that has always been the case with ICT. It has always been fast moving. Classification has been a difficulty for as long as I can remember.

Dr Badger—It has been a difficulty.

Senator LUNDY—I find it extraordinary that it is 2006 and you are still grappling with the same challenges that were being discussed 10 years ago.

Dr Badger—I think the challenges are quite different from 10 years ago.

Senator LUNDY—The principles that underlie those challenges, such as the fast moving pace of the industry, have not changed at all. This foresighting working grouping is obviously still doing its work. Can you point to any substantive policy initiatives that have been undertaken to boost the numbers of HSC students in IT courses or, indeed, to boost the number of undergraduates studying IT at university?

Dr Badger—I will have to take that on notice, because the issues—

Senator LUNDY—So you cannot point to anything?

Dr Badger—The education portfolio has a range of activities related to higher education and also to the school sector—

Senator LUNDY—But you would be across them if they related specifically to IT, would you not?

Dr Badger—Not necessarily. I just cannot remember most of the detail of what is going on. But also, as the secretary said, this activity is about trying to understand what is the best thing to do.

Dr Hart—Can I add one thing in relation to the education department and more generally. These issues are much broader than the ICT sector and they impact on things like curriculum design and careers advice in schools. So we obviously do talk to the education portfolio about those kinds of things and more broadly to DEWR about workforce participation. The other important thing is that it is broader than the federal government. One of the things the minister has done is establish a working group under the Online and Communication Council, as it is now called, and we are working with the states on these issues so there is a national approach.

Senator LUNDY—Just going back to the issue about the involvement of other departments, how high a priority is it for DCITA for this output to actually solve some of these problems? Dr Badger, you are not across the detail; that tells me it is not a particularly high priority.

Dr Badger—No, that just means I do not have a good memory.

Senator LUNDY—That is very flippant.

Dr Badger—The fact is that the government has a whole range of activities which deal with the skills issue across a whole range of portfolios. Our job is to ensure that the ICT activities and the importance of that are understood and appreciated in that context, and that is what we do.

Senator LUNDY—Can you point to any substantive policy that has resulted in action on the ICT skills issue?

Ms Williams—I will just have to repeat what Dr Hart said. This is an issue which really crosses, and you of course are well aware of this, the states—

Senator LUNDY—I appreciate that if it is other portfolios, if you want to palm it off to the states, but I am asking you—

Ms Williams—Sorry, Senator Lundy, I did not want to palm it off on the states. What I am saying is that our role, as Dr Badger has said also, is to provide the information, make certain people are aware, make certain that we have got as much information as we can on where the shortages are, where the thing is biting and where it is not biting—where there may be an oversupply. The decisions are usually not ours, but we are protagonists and we do want to provide the information because, as I said, good information leads to good outcomes.

Senator LUNDY—So you are raising the spectre that whatever hopefully strong recommendations derive from this foresighting review may not result in any specific policy program emanating from this particular department.

Ms Williams—I hope I was not raising that spectre. What I am saying is that it is far more complex than just

Senator LUNDY—Well, tell me I am wrong. Tell me there will be some policy initiatives from DCITA on ICT skills.

Ms Williams—As I said, the process has to work through—I do not know how close we are, but there is a lot of work going on; it is a priority for us.

Senator LUNDY—Given the recent admissions for Telstra that it failed to undertake adequate training of new technical staff, and the significance of telecommunications network knowledge to the ICT sector, has any work been done on the fact that there is a need for skills foresighting work with respect to the telecommunications sector, as well as the IT sector?

Dr Badger—We treat the telecommunications sector as part of the ICT environment.

Mr Besgrove—It is being picked up in the same process.

Senator LUNDY—So how have you responded specifically to that bit of information from Telstra that it failed to undertake the training of new technical staff? And can you point to any initiatives that would encourage employers to spend more time—the figures show one to five days per year—training new staff, when I think the recommendation is for at least 20 days,

Mr Besgrove—It is clear once again from the work of the skills foresighting group that industry training is an issue of some significance. It is also clear that that is an area where industry may not be paying adequate attention—I do not think Telstra is unique. Certainly the impression we have gained from the AIIA and other industry members, and also from the academic members within that group, is that there is an underemphasis on retraining. I mentioned earlier that group of traditional programmers who find difficulty in actually getting employed. It is clear that they have not had the opportunity for retraining. So that is an issue of considerable significance and it is by no means unique to Telstra.

Dr Badger—And certainly one of the major issues that came out of the participation summit was the need, on behalf of the industry participants, to understand that they in fact had to give this much higher priority. The ICT industry is one that is still going through a massive change. It was used to being an industry which had no problems; it was used to expansion. It takes a long time for industry as a whole to change its mindset, for particular players to change their mindset and to adapt to a new environment and that is what is happening.

Senator LUNDY—I think you have taken on notice to provide us with any example of any substantive policy activity or initiative in this area, so hopefully we will not have to wait until the next round of estimates to get the answers. Thanks for your time. Any other questions I will place on notice.

CHAIR—As there are no more questions, thank you very much for appearing.

[11.44 am]

National Museum of Australia

CHAIR—I welcome officers from the National Museum.

Senator LUNDY—I have a few questions for the National Museum. I note that you have been waiting a few hours longer than expected. That has put some pressure on the timing for my brief, so I anticipate moving through the various agencies and institutions quite quickly. Can we go first to an overview of the exhibitions that the National Museum has mounted in calendar year 2005.

Mr Morton—Are you looking for the exhibitions that we ran last year or the exhibitions that are forthcoming?

Senator LUNDY—For calendar year 2005.

Mr Morton—In 2005 we have run the *Hickory Dickory Dock* exhibition about the changing faces of *Play School*, which has been to a number of regional museums. Do you want me to list where it has been?

Senator LUNDY—I am happy to place that on notice if you could provide it.

Mr Morton—I am very happy to provide it. There is quite a list.

Senator LUNDY—I am conscious of time.

CHAIR—You could do it by states, Mr Morton.

Senator LUNDY—If you could even table the document or take it on notice. I am interested in the information but I am conscious of time.

CHAIR—I would be interested to know whether you have been to the west side of the Nullarbor.

Mr Morton—Yes, we have. *Hickory Dickory Dock*, for example, has not been there but as part of the tour for this year it will go to Kalgoorlie on 14 April. I am reminded that *Behind the Lines* was at the Constitutional Centre of Western Australia in Perth in July 2005. They are the only ones I can see at a quick glance but I will provide that information to you on notice.

Senator LUNDY—Regarding the National Museum's travelling exhibitions, I am aware that the museum makes a very diligent effort to travel some of its collections. But I should allow you to finish your answer to the question: were there any other exhibitions that you travelled other than *Hickory Dickory Dock*?

Mr Morton—Yes, there were. We travelled *Behind the Lines*, which is a national cartoon show. We travelled the 150th anniversary of rail exhibition, and we have a forthcoming travelling program—because we do it in a cycle we do not necessarily do it in one calendar year—on the history of the Miss Australia Quest exhibition; a Ned Kelly exhibition, which came out of our larger outdoor show; an exhibition called *Pooaraar*, which is an Indigenous exhibition; an exhibition called *Our Community*, which is another Indigenous exhibition coming out of Walgett; and an exhibition called *In Search of the Birdsville Track*. So we have quite an extensive program of travelling exhibitions in this period and we will be adding to that.

Senator LUNDY—Obviously some of those have completed their tour and some are continuing. Would you be able to take on notice the anticipated total costs of travelling those exhibitions.

Mr Morton—Yes.

Senator LUNDY—Perhaps you could also take this next item on notice but first give the committee some indication as to whether the visitors you received for those travelling exhibitions were at the levels you anticipated, and take on notice providing the data when the exhibitions are completed.

Mr Morton—I can certainly provide you on notice with the data about numbers. In terms of general expectations, the numbers for travelling exhibitions I think have been quite good and we have been very happy with them. Indeed, we have structured our exhibition program to travel exhibitions of a certain size and a certain budget to maximise the opportunity to get into places, both in regional and remote Australia, that hitherto we have not been able to travel to. So, generally speaking, we are pleased with the outcomes of the program that we have had so far. Where we are less pleased is with some of the substantial exhibitions that we have had here in Canberra where the costs have been high and the numbers have not been what we would wish. But that is certainly not the case in relation to the travelling exhibitions.

Senator LUNDY—You have anticipated my next question very well. What about the temporary exhibitions you mount here in Canberra? Could you give me a list of those exhibitions and take on notice providing the numbers of attendees and costs. But please take this opportunity now to give us a bit more detail about your expectations and the outcomes of each of those.

Mr Morton—Sure. I can give some examples very briefly. For our exhibition *Extremes: 23 Degrees South*, which was a comparison of three deserts, we had an actual figure of just over 10,000 attendees to that. It ran from 26 December to 22 August, and the budget for it was approximately \$1.8 million, including capital and supply costs. So we were disappointed at the numbers, but I make the proviso about that exhibition that really it was not so much a family show as an academic exercise, and there were a range of conferences and associated activities with it. It was not geared so much towards the family market.

Our current exhibition, *Captivating and Curious*, which is our 25th anniversary exhibition, is succeeding fantastically. We have had 55,000 people through it. It started on 14 December and will run until 20 March, and the total budget for it is of the order of \$900,000, so we are very pleased with that one. The exhibition *Exiles and Immigrants* is substantially an art show which comes from the National Gallery of Victoria. It will be on at the museum from 21 April and it will cost in the vicinity of \$350,000. We are not sure what the projected figures are at this stage. We are not expecting it to be a huge blockbuster. We know the figures have not been huge in Victoria but it is a very interesting and a very essential show that has some historical material that people will not have the opportunity to see otherwise. So this is one where we are expecting the numbers to be down a bit.

In the First Australians gallery we had a very successful exhibition recently, *Colour Power*. It had a budget of \$90,000, which was the cost of the exhibition from the National Gallery of Victoria, and we had over 17,000 people to see that. We are opening very shortly an

exhibition, which we are doing in conjunction with the Canadian High Commission, about indigenous art from western Canada, called *People of the Cedar*. It is costing us in the vicinity of \$110,000 and we are projecting about 20,000 people to visit that exhibition.

We have structured our program now, in terms of the exhibitions that we buy in and the exhibitions that we develop in-house, to maximise the attendance for the amount of funding that we put in, including an assessment of whether we will charge or not charge and what the level of charge will be.

Senator LUNDY—And obviously part of your assessment there is reviewing your advertising strategies. Is advertising a key factor in the sort of response you get in sheer numbers coming to these exhibitions?

Mr Morton—Advertising is very important, particularly advertising in the non-Canberra market—although obviously advertising in the local press and local television does inform a local audience. Word of mouth is very important as well. But certainly advertising is crucial to the success of an exhibition. That is why we endeavour to develop a relationship with both print and television media to get as much support from them as we can for the exhibitions that we run.

Senator LUNDY—Have there been any major changes with respect to exhibitions within the museum itself? We have traversed the issue of the changing nature of exhibitions following an array of criticism of some aspects of the exhibits at the National Museum. Can you give the committee an update on what changes have taken place and why.

Mr Morton—Yes. We developed a four-year exhibition redevelopment program in response to the Carroll review. Some of that has taken place. I think I mentioned last time that we have a new sports module in, and we have a module to do with first contacts with Australia, Indigenous and non-Indigenous. We are working through both the Horizons gallery and the Nation gallery—as well as *Circa*, our introductory film—over the next three or four years to make quite substantial changes. I do not have it with me, but I would be very happy to give you a brief about what those projected changes are—we do have a written brief.

Senator LUNDY—It would be useful if you could provide that brief in writing to this committee. I know it attracted a lot of attention at the time and was highly controversial, so it would be of great interest to see where it was at. Is it a fair comment to say that sport as an aspect of Australian culture will be lifted in profile as a result of the changes emanating from that review?

Mr Morton—Not perhaps resulting from the review. We have always been conscious of the fact that sport is central to the stories about Australia that people want to see. We have been conscious of the fact that we were somewhat lacking in sporting material when we first opened. Since then we have acquired some very valuable material and, as I say, we now have a sports module which has some of that material on display. We are also attempting to deal with the sports issue through our exhibition program. We have had a number of temporary exhibitions that were sport related. For example, at the end of this year we will be doing a major exhibition to celebrate the centenary of surf lifesaving. That will be a major show that will be in Canberra and will tour extensively. We also will be having a show to celebrate the

centenary of Rugby League in Australia. We are looking to do, through those temporary exhibitions, the sort of reaction to the history of sport that we believe people want to see.

Senator LUNDY—On the Rugby League exhibition, will you be getting sponsorship from the NRL?

Mr Morton—I could not say in relation to sponsorship. We will certainly be talking to a number of people about sponsorship for it. But I can say that we have had discussions with Australian Rugby League, and they are very supportive of it, and we will be working with them to put the exhibition together.

Senator LUNDY—We will look towards those with interest. With respect to servicing the needs of people with disabilities, does the museum provide any braille signage or descriptors on exhibits inside the building?

Mr Morton—No, we do not, and we do not have any planned in the near future. But we do conduct tours for blind people, so we do have specialised tours for the sight impaired.

Senator LUNDY—I asked that question for the obvious reason that braille is quite a feature of the exterior of the building. Are you able to advise the committee what the braille letters on the external building actually mean—not being a braille reader myself.

Mr Morton—It is some time since this issue was canvassed—I think it was during the construction period. There are a number of braille words which are discernible on the building now. I think there is ‘g’day mate’, and there is a ‘sorry’ and ‘Australia’ is another word there.

Senator LUNDY—Would you take on notice to provide the committee with a full list of the words that appear on the external façade of the building in braille—that would be interesting.

Mr Morton—I will.

Senator LUNDY—I might take the opportunity to place some further questions on notice, but that is all for now, thank you.

Mr Morton—Thank you, Mr Chairman, for letting us go on first today. It means we will have the pleasure of our council meeting today after all.

CHAIR—Thank you very much for taking your exhibitions to Western Australia.

[12.02 pm]

Australia Council

Senator LUNDY—My first questions relate to the national survey report of theatre companies. Are you aware of this report?

Ms Bott—Yes, we are.

Senator LUNDY—Are you concerned about the findings—in particular the finding that the funding model for major theatre is clearly unsustainable? What action, if any, has the Australia Council undertaken in response to this survey?

Ms Bott—I will ask my colleague, Cathy Brown-Watt, who manages the Major Performing Arts Board, to answer your question.

Senator LUNDY—It was the major performing arts group that commissioned this survey, wasn't it?

Ms Bott—Yes.

Dr Brown-Watt—Yes, we are aware of the report. We received it recently. The findings actually mirror submissions that have been made to the MPAB in the context of the funding model review that we are carrying out at this point, and they are being taken into consideration in that review process. We are not yet at a point where we are at the outcome of the review; that will be mid-year. But we certainly are concerned at some of the trends that are coming to us and that are shown in the report.

Senator LUNDY—Are you able to identify any measures which could assist this problem, especially since—I am certainly aware as I am sure everyone is—it is not possible for many of the theatre companies to embark on any further cost cutting?

Dr Brown-Watt—No, and I think they have also done a very good job in terms of increasing income over the last few years. Most of the MPAB companies have had significant increases in earned income. We are aware that they have begun to trim around the edges in terms of some areas of artistic endeavour, in particular artist development and some areas of access, and one of the three prime focuses of the review of the funding model is to see how one would address that.

Senator LUNDY—Given the survey describes the situation as being a severe financial crisis with five-eighths likely to face budget deficit, adding \$1.5 million to government funding et cetera, what is the Australia Council's view? Do you concur with those findings? Are you concerned that it is a state of crisis?

Dr Brown-Watt—I think the numbers were developed from earlier projections by the companies, and the latest projections we have do not show them to be quite so severe. There is one less company that is in deficit, and the levels of deficit have come down, so that across the four that are producing a deficit, instead of \$1.5 million we are looking at about \$700,000, and most of those companies—not all—have got reasonably significant levels of reserves, so I do not think it is at this point a financial crisis. However, what we are more concerned about is that to reach a position of reasonable financial strength they have made these cuts into artistic and access areas which we will address in the funding model review.

Senator LUNDY—Are you able to comment on the impact on particularly small to medium-sized theatre companies and also theatre companies in regional areas?

Ms Bott—Yes, I can certainly comment on that. One of the reasons we established the key organisations unit as part of our restructuring last year was to enable us to have a greater investment in skills to look at the small to medium sector, in particular the 145 triennial companies that we fund. Certainly a percentage of those companies are at risk, and one of the tasks of the staff of that unit is to actually focus on the reasons and on what would be constructive policies to address that issue, which we will certainly be discussing with the council and with the government.

Senator LUNDY—You are gathering that intelligence from those smaller to medium sized as part of this overall exercise?

Ms Bott—We are. There has not been a similar report to the one you are referring to around the major companies.

Senator LUNDY—You mentioned that the next stage in this process will be obviously the preparation of a report that will be considered by government, Minister, could I ask you: will the government commit to review the funding model, in the light of these survey findings and the subsequent report being prepared by the Australia Council?

Senator Coonan—Senator Lundy, I am not going to pre-empt what view the government is going to take about this, but obviously it is something that we will look carefully at.

Senator LUNDY—Are you familiar with the national survey report of theatre companies and some of the quite startling figures in that?

Senator Coonan—No, I am not.

Senator LUNDY—All I think I have got so far is that once this report is prepared it will go to you as minister and you will—

Senator Coonan—It will go to Senator Kemp.

Senator LUNDY—I am sorry, and I should note that you are here in place of Senator Kemp, so thank you. It will go to Senator Kemp and then a policy decision will be made on what to do from there?

Senator Coonan—Yes.

Ms Bott—Could we just clarify something? Are you talking about the funding model review?

Senator LUNDY—My understanding is that AMPAG commissioned this report, AMPAG will be reporting to the Australia Council and the Australia Council will consider those outcomes and then provide a report to government. Please correct me if I am wrong.

Ms Bott—We should. The Australia Council, as part of CMC, is undertaking a funding model review, which is foreshadowed as a triennial process following the implementation of the major performing arts inquiry. The AMPAG report will feed into that process, so it is not just a report to government—it is actually a report to the Cultural Ministers Council.

Senator Coonan—That will be later this year, Senator Lundy. It will form part of the government's broader review of the council's triennial funding.

Senator LUNDY—Thank you for that clarification—that is helpful.

Dr Brown-Watt—I should also say that that funding model review does not only cover the theatre companies; it covers the entire set of major performing arts companies.

Senator LUNDY—On the issue of the funding model review, perhaps you could give a general explanation as to the timing and processes of that funding review and, if possible, the anticipated time frame for consideration specifically by the federal government as part of the CMC.

Dr Brown-Watt—It was one of the recommendations of the major performing arts inquiry that every three years there would be a review of the funding model for the companies. This is the second review. It is done, as has just been discussed, under the aegis of the Cultural

Ministers Council because outcomes need to be addressed by the state governments as well as by the Commonwealth government. The process for that review is that it is to be held in 2005-06; the process started in August of last year. There have been meetings with every company that is being dealt with in the review. There has been a request for submissions on a number of key areas. Those submissions have come in from all companies. We are also analysing financial data with the companies. All of that will then translate into a report that goes to the Cultural Ministers Council in the middle of the year approximately—whenever the next Cultural Ministers Council is scheduled. It has not been scheduled at the moment, but we would expect around mid-year or a little later.

Senator LUNDY—Thank you. Can the council provide information on the progress of the future planning milestones? This is in relation to the restructure of the New Media Arts Board. I note that the Australia Council's annual report for 2004-05 outlines the three future planning milestones: recruiting new directors, establishing the strategy section and undertaking scoping studies for community partnerships. If you could just report back on each of those future planning milestones for the New Media Arts Board.

Ms Bott—Certainly. We have virtually completed the recruitment process. There are only two outstanding appointments to be made. One is for the client relationship officer dealing with Aboriginal and Torres Strait Islander arts and community cultural development. Candidates for that position are currently being interviewed. The other position that has not been filled is the project coordinator in the strategy unit. We are actually not filling that position. We are going to use the moneys allocated to that position for consultants. So we are virtually at the end of the recruitment process.

On the second milestone, the establishment of the strategy section has occurred. The new director of strategy, Claire Duffy, began work last week with us. On the two scoping studies, they are both in full swing at the moment. In the case of the community partnerships scoping study, a paper has just gone out yesterday onto our website and we are receiving submissions as well as running public fora. The scoping study committee reference group is running public fora in regional centres as well as in all capital cities over the next couple of months. That scoping study report will come to the June Australia Council meeting.

Senator LUNDY—June?

Ms Bott—Yes, 1 June. In the case of the new media study, it will report slightly later to the council—probably to the next meeting of council, which will be in September 2006.

Senator LUNDY—Thank you for that. Can you also update the committee on progress with the restructure of the Community Cultural Development Board, which I think was flagged for completion by this month?

Ms Bott—The scoping study is designing the way in which community partnership programs will be managed from 2007 onwards. What we have done for all 2006 moneys for that area is to establish a community partnerships assessment committee, and that committee is making decisions based on the traditional CCD program categories and criteria. So it has continued as business as usual during 2005 and 2006, and any changes to the structure will occur in 2007. We have recruited staff for the community partnerships section as well as recruiting CCD skilled staff for our new inter-arts office.

Senator LUNDY—The anticipated changes to the way that community cultural development grants are implemented will not come into play until calendar year 2007?

Ms Bott—That is correct, and those decisions will be made by the council once it receives the scoping study report in June.

Senator LUNDY—In June?

Ms Bott—That is correct.

Senator LUNDY—Given that you are going through the scoping study and consulting, will there be an opportunity for the stakeholders in the arts community to provide input or comment or feedback on the changes that the Australia Council is going to put forward?

Ms Bott—Yes, absolutely. That is what is happening right now. As I said, we have had about 80 submissions to date, but that is an ongoing process. We welcome submissions from stakeholders and there will also be an opportunity for them to meet with Anne Dunne, who is chairing the scoping study, and her committee as they hold these public meetings around Australia.

Senator LUNDY—Just one point: I note that the annual report—or I think I am correct—referenced that this process would have been completed by February. Is it fair to say that that timing has been pushed out by four to six months?

Ms Bott—It is fair to say it has been pushed out by several months and will now be completed in May, so it has been pushed out three or four months and it is now reporting to the June meeting.

Senator LUNDY—Could I ask you if the original intention was to have those changes in place by the beginning of the financial year 2006-07, or was it always planned to have them in place by calendar year 2007?

Ms Bott—No, originally I think we would have anticipated having this in place for calendar year 2006, but we undertook the scoping study mechanism and that meant we did that kind of consultation for longer and that pushed it out by a year. But we felt, after the discussions we had with the field during the process of our restructuring that this was a much more constructive long-term way to approach the issue.

Senator LUNDY—Thank you for that. Could I also ask you about the Visual Arts and Crafts Board and Music Board in reference to again an annual report which stated membership of both the VACB and the Music Boards will be increased to bring in more new media art expertise.

Ms Bott—That is correct.

Senator LUNDY—Can you advise me of membership changes that have taken place to reflect that statement contained in the annual report?

Ms Bott—Yes, the recommendation was that both of those boards would be supplemented with an extra member with new media skills. That has happened in the case of the Visual Arts Board; there is a new member, Bronte Adams, with those skills. In the case of the Music Board there is a vacancy and we are in dialogue with the minister over the filling of that vacancy with an additional person.

Senator LUNDY—In terms of appointments to the Visual Arts and Crafts Board, to use that as an example, what is the criteria for appointments, particularly with respect to involvement in the arts?

Ms Bott—Do you mean in general or those two appointments?

Senator LUNDY—In general, but I am also interested in the qualifications of those two appointees.

Ms Bott—Of course, these appointments are the prerogative of the minister and in general what the Australia Council has sought to do is to establish and nominate a governance committee which reviews the skills necessary on any board at any given time. For example, all of our boards seek to have geographical diversity as well as gender, age and skills diversity, so it is a challenging task to actually ensure that that occurs at all times. The board makes recommendations to us, the nominating governance committee, and we forward those to the minister's office for his consideration. In the case of these two additional appointments, they of course are subject to all the criteria I mentioned, but most specifically they were to be people with skills in new media arts practice.

Senator LUNDY—Were both of those people on the short list that the Australia Council provided to the minister?

Ms Bott—Only one has been appointed.

Senator LUNDY—I am sorry, one.

Ms Bott—Bronte Adams, who has been appointed, was a member of the New Media Arts Board which was abolished, so she would certainly fulfil that criteria.

Senator LUNDY—Was she on your list?

Ms Bott—We did not put forward a list, because there was the existing ex-board members of the New Media Arts Board to choose from.

Senator LUNDY—Thank you. Can you outline generally the council's budget for investment in new media?

Ms Bott—Yes, we took the existing new media budget, which is around \$2.3 million, and divided it between the Visual Arts Board and the Music Board broadly according to the nature of applications. In other words, around 80 per cent of the moneys went to the newly named Visual Arts Board and 20 per cent to the Music Board. Of course, I should add, both of those boards already expend money and have historically expended money on new media practice, so we have charged our inter-arts office with the responsibility of actually monitoring the Australia Council's ongoing spend on new media arts, to make sure that it does not drop as a result of our reorganisation.

Senator LUNDY—Could you take on notice quantifying those percentages and add in the existing amounts being spent on new media and provide that information to the committee?

Ms Bott—Certainly.

Senator LUNDY—Has the council done any research into the level of investment in new media in other countries, perhaps overseas countries that the council uses from time to time to test proportions of investment?

Ms Bott—We have some international figures—I would not be able to quote them here, but I could certainly take that on notice. It is, of course, an area that is growing rapidly internationally and indeed in Australia, so I am not sure benchmarking is the right term, but certainly there are internationally comparable figures from similar countries with similar structures to the Australia Council which I can provide to you.

Senator LUNDY—Thank you. I am particularly interested in the trend of funding levels. My understanding is—and I would like to quote an open letter by Brendan Harkin, the director of X Media Lab, which was published in *Real Time* magazine in March last year. He says:

Because of digital convergence these industries, the new media industries, include not only the entire span of traditional entertainment, film and television, but also now shape educational content, electronic publishing, entire information industries, the Internet and broadband content, the music industry, computer games, animation and the whole future of mobile telephony and telecommunications.

I am reinforcing the point that this is pervasive.

Ms Bott—Yes, which is in fact—

Senator LUNDY—Do you concur with that general view?

Ms Bott—Absolutely. It was in fact that precise perspective which led us to the restructuring, because we felt that having a separate board with a small budget was not reflective of what was happening in the field.

Senator LUNDY—I will look forward to the answers to questions I have placed on notice. Thank you.

Senator WORTLEY—The Orchestras Review 2005 chaired by James Strong recommended that the symphony orchestras, which are already constituted as companies, be wound up, divested from ABC ownership and reconstituted as new companies. I understand that advice has been sought by the Australia Council on this issue. Would you provide the committee with an overview of what that advice was?

Dr Brown-Watt—I do not believe we were asked for a formal response to the report. One of the members of the MPAB staff was a member of the secretariat for the review and there was an opportunity for input at that point.

Senator WORTLEY—So the Australia Council did not seek advice with regard to what the divestment of the orchestras from the ABC would result in?

Dr Brown-Watt—I am having difficulty hearing you, I am sorry.

Senator WORTLEY—I would just like to clarify: did the Australia Council seek advice as to what the impact and the implications would be of the divestment of the orchestras from the ABC?

Dr Brown-Watt—I think the Australia Council was aware of the impact and we certainly did discuss it with the orchestras themselves. They are clients of the MPAB and we had detailed discussions with them on the implications of that.

Ms Bott—Could I just add something? I think we should clarify that the report was actually commissioned by government, not by the Australia Council. So it was actually a report to the government.

Senator WORTLEY—Thank you, I am aware of that. And the Australia Council then did not seek any legal advice with regard to it?

Dr Brown-Watt—You are saying the Australia Council did not—

Senator WORTLEY—Seek legal advice on what the implications would be should the recommendations proceed?

Dr Brown-Watt—No, we did not seek legal advice on the report.

Ms Bott—We understand that the secretariat in constructing the report did in fact do that.

Senator WORTLEY—Were you made aware of what the advice was?

Dr Brown-Watt—In relation to matters of concern; yes.

Senator WORTLEY—Would you provide the committee with an overview of what that advice was?

Dr Brown-Watt—There was a concern as to whether the ABC was legally able to maintain a broadcasting relationship with the orchestras in the event of divestment. It is our understanding that legal advice obtained supported the view that that is possible and we are going ahead with implementation on that basis. Other questions in relation to divestment related to orchestral player conditions and were not legal matters. They are matters that we have investigated separately.

Senator WORTLEY—And when you say you are going ahead with implementation based on that advice, that means that you will proceed with the divestment of the orchestras from the ABC—is that correct?

Dr Brown-Watt—Government made the decision. That was ratified at CMC by state governments as well. We were then requested on behalf of government to do that implementation.

Senator WORTLEY—Can you confirm that the implementation of the company restructure would provide little or no measurable or discernible benefit for the orchestras or the ABC, and that it is likely to be costly and time-consuming and to mean increased costs to the orchestras and disadvantage to the musicians and the Australian audience? It is quite a long question, so if you want me to take it in sections I can.

Senator Coonan—Let us break it up in bits, could we please, Senator? Would you mind going again?

Senator WORTLEY—Can you confirm that the implementation of this company restructure would provide little or no measurable or discernible benefit for the orchestras?

Senator Coonan—The answer to that bit is: no, I cannot confirm that because clearly the government has taken the view that we should do this for the benefit of the orchestra and the ABC. The orchestra is not the ABC's core business.

Senator WORTLEY—Is it likely to be costly, time-consuming and to mean increased costs to the orchestras and disadvantage to the orchestras' musicians?

Senator Coonan—No. To the extent that there are some implications and issues that need to be worked through, the government has announced a funding package and has worked through the implementation together with the states to put that in place.

Senator WORTLEY—Isn't it the case that current levels of broadcast would fall and that audience exposure to Australian artists and musicians would decrease substantially?

Senator Coonan—No, that is not the view of the government.

Senator WORTLEY—What are the legal and cost implications of the company restructure?

Senator Coonan—To start with, on the legal side of it, there is clearly some advice that the government has had on Comcover issues and superannuation that was sought after the report was handed down by Mr Strong and the divestment from the ABC. So that is one legal implication. I am just trying to break up your question so that we respond appropriately to it. You said legal and cost implications.

Senator WORTLEY—The cost implications.

Senator Coonan—We can take the cost on notice.

Senator WORTLEY—Does the winding-up of the companies mean that all of the orchestras' commercial contracts will have to be terminated and renegotiated?

Senator Coonan—We will provide some information for you as to how the contracts are dealt with. Obviously, if you have got a new entity you either have to have some novation clause or enter into a new one.

Senator WORTLEY—Also, on notice: is stamp duty or tax payable on the transfer of assets from one company to another?

Senator Coonan—We will take that on notice.

Senator WORTLEY—What are the legal implications for directors of the existing companies and the impact on musicians if, as a consequence of winding up the orchestras' companies, they are pushed out of their existing superannuation and workers compensation schemes?

Senator Coonan—We have got some advice in relation to that, and the government is cognisant of some issues that we need to work through.

Senator WORTLEY—I understand that the orchestras have not yet been advised as to what that advice is. Can you provide a full cost-benefit analysis detailing each and every implication of the proposed company restructure for the symphony orchestras?

Senator Coonan—We will provide the costs. In relation to your question, you might need to break it down and say precisely which aspect you are speaking about rather than every one that you are talking about. If you want to put it on notice, we will have a look at it.

Senator WORTLEY—I will put it on notice, but it would include the costs and the benefits to the orchestras, to the Australian audience and to the ABC.

Senator Coonan—We are not going to do a sort of qualitative assessment, if that is what you are asking for; what we will do is provide a list of the costs. The Strong report is the basis for the government having taken this policy decision, and that goes into the benefits, the process and the reasons for the restructure.

Senator WORTLEY—I would have thought that that assessment would have already been done and would have been easy to access.

Senator Coonan—You might have thought that. We will take it on notice and, where it is appropriate, we will certainly provide you with the costs—that is appropriate. As far as costs and benefits, if you want to break down what exactly you are asking for in respect of each aspect, we will have a look at it.

Senator WORTLEY—Perhaps we should include the cost-benefits and the disadvantages to the Australian audience and the orchestras as it proceeds. That would be useful to have as well.

Senator Coonan—We will have a look at what we can do.

Senator WORTLEY—I look forward to seeing it. Thank you.

Senator LUNDY—Just on that point, Minister, are you able to guarantee that no musician will be worse off under the new arrangements?

Senator Coonan—Senator Lundy, I do not get into these games. We are going to be looking after the musicians appropriately and I think you ought to be well aware by now, from things that have been sent by Senator Kemp, that the government intends that this restructure is for the overall benefit of the orchestra, for the public and certainly for the ABC.

Senator LUNDY—I think we will note that you were not prepared to give that commitment.

Senator Coonan—Well, Senator Lundy, that is a silly game.

Senator LUNDY—No, I understand. You are not the—

Senator Coonan—Ruling things in, ruling things out, guaranteeing things—people will be appropriately treated and looked after in terms of how this restructure proceeds.

Senator LUNDY—We will look forward to those answers to Senator Wortley's questions, hopefully before the next estimates.

Senator Coonan—We will do what we can, Senator Lundy. I am not for a minute suggesting that our interpretation of Senator Wortley's question will be what Senator Wortley is expecting, but we will do our best to provide what is appropriate.

Senator LUNDY—I think the question has been put in the broadest possible terms and your officers will do their utmost to satisfy her requirements.

Senator Coonan—They will certainly do their utmost, but sometimes the broadest possible terms is not a meeting of minds as to what is being asked for.

Senator LUNDY—Okay, I shall finish my questions for the Australia Council. The Australia Council commissioned a commercial code of conduct—this is my understanding—to address alleged or existing unethical behaviour by some in the arts sector who are taking

advantage of Indigenous artists, including sweatshops. Can the Australia Council advise us what led to that decision, and what is the current status of that commercial code of conduct in its implementation in the sector?

Ms Bott—Actually, Senator, I am not sure I know what you are referring to. Was it a research project by NAVA, the National Association for the Visual Arts? I do not believe that the Australia Council—

Senator LUNDY—My information is that the Australia Council commissioned the development of the commercial code of conduct. Perhaps I could ask you to take this on notice and clarify whether in fact it was NAVA that commissioned the development of such a code.

Ms Bott—The Australia Council certainly looked at the issue of commissions being paid by galleries but it was not a research project, it was certainly a discussion forum. But let me clarify and get back to you.

Senator LUNDY—Have you recently developed a set of procedures or code of conduct to weed out unethical conduct of this nature?

Ms Bott—Not specifically, that I am aware of, no.

Senator LUNDY—I think I have given you just about all the information I have on it.

Ms Bott—A number of years ago—about four or five—the Australia Council was involved in the development of an authenticity regime.

Senator LUNDY—No, this seems to relate to the exploitation of particularly Indigenous artists producing works in a way that is alleged to be unethical.

Ms Bott—It is obviously a matter we would be concerned about but I am not aware of any particular survey, so I will investigate.

Senator LUNDY—It is not necessarily a survey but the development of a code of practice. I do not have any more information in front of me so if I could ask you to take it on notice and provide this committee with anything you can find on this issue, including anything you have within your own auspices about concerns of unethical behaviour.

[12.40 pm]

Australian Film Commission

Senator LUNDY—Mr Dalton, I understand you are leaving. Is it true?

Mr Dalton—I do not know whether it is appropriate to confirm or deny that sort of thing in Senate estimates but, yes, I am. I am going to another job.

Senator LUNDY—When are you going?

Mr Dalton—On 27 February.

Senator LUNDY—Have you been involved in the processes by which your successor will be selected?

Mr Dalton—Only peripherally so, in terms of preparing some briefing materials.

Senator LUNDY—Have you given any thought to a succession plan?

Mr Dalton—A succession plan is actually something that gets dealt with in terms of risk management and, yes, it is something that the commission has given consideration to.

Senator LUNDY—What are the criteria for the selection of a new CEO for the AFC?

Mr Dalton—I feel that is something that you need to either address to the department or—

Senator LUNDY—I will ask the department.

Ms Williams—The process that we are going through is that I have spoken to the chair of the Australian Film Commission, Maureen Barron. I will probably chair a committee that Maureen Barron herself will be on, and we will have one or two other members. We are at the moment looking at an advertisement and the way we will go through it all. Together we are sort of drawing up the kinds of criteria that you are talking about, but it is still a work in progress.

Senator LUNDY—27 February is not too far away.

Ms Williams—No, it is not.

Senator LUNDY—Do have an indicative time frame of when you would like to have a CEO in place? Obviously it will not be by the 27th.

Ms Williams—We are also setting up a search for this to—

Senator LUNDY—So you are contracting an executive search company?

Ms Williams—We will, yes. All I can say really is that we are obviously moving as quickly as we can.

Senator LUNDY—Have you contracted that executive search company as yet?

Ms Williams—Not yet.

Senator LUNDY—What is your budget for that exercise?

Ms Williams—We have not set a particular budget. What we are looking for at the moment will depend on what we can get for what. This is one for the commission.

Senator LUNDY—With the turnover in the CEO's position, is the department planning to conduct a review of the recent period, particularly through the difficult transition time of the AFC's merging with the Film and Sound Archive?

Senator Coonan—I cannot resist this: are you inviting a review, are you?

Senator LUNDY—I am just checking to see if you are doing another one.

Senator Coonan—I am so sorry, but I just thought that was an interesting question, given the last couple of days where you have criticised this government up hill and down dale for consulting with the community and trying to review its agencies appropriately.

Senator LUNDY—I think you must have a guilty conscience, Minister.

Senator Coonan—No. I am just interested that you think that a review might be in order.

Senator LUNDY—I did not suggest that at all.

Senator Coonan—You do not think there should be a review then? Can we take that as your position?

Senator LUNDY—I was merely asking if the department was going to conduct a review.

Senator Coonan—And then you are going to criticise it, are you?

Senator LUNDY—If it is worthy of criticism, of course.

Senator Coonan—Everything seems to be worthy of criticism, in your view.

Senator LUNDY—I think the issue is not so much the reviews but the time it takes for you to sit on them.

Senator Coonan—So it is the reviews that is the problem.

Senator LUNDY—I think it is certainly my job to check whether or not the minister is doing more reviews. There are lots of them.

Senator Coonan—You think there should not be one here, do you?

Senator LUNDY—I do not have an opinion. I am merely asking the questions.

Senator Coonan—You seem to have an opinion about every other review.

Senator LUNDY—So I take it that there will not be a review?

Senator Coonan—I do not say that.

Senator LUNDY—So there might be a review?

Senator Coonan—I did not say that either. The department can deal with that.

Senator LUNDY—Okay. Is there going to be a review or is there not, or are you waiting to be advised by the minister?

Ms Williams—No. We have not thought that the process of appointing a new CEO required a review of that particular amalgamation. We think it is going well and it is settling down.

Senator Coonan—In fact, I think it is appropriate to put on the record that I think Mr Dalton is to be congratulated for his many achievements during his time at the AFC. He has made a very substantial contribution to the industry. I do think that it is appropriate that this committee acknowledges his very good work.

CHAIR—We do endorse those remarks and congratulate you on all you have done, Mr Dalton, to promote Australian film and Australian voices.

Mr Dalton—Thank you very much. I appreciate that.

Senator LUNDY—Indeed. In fact, in raising the question about whether or not a review is being conducted, I do so in the light that there has been an overall decrease in the production of local drama. I ask the minister: has any thought been given to looking at the key performance indicators on the struggling nature of Australian film generally?

Senator Coonan—Senator Lundy, if there is going to be a review, you will be the first to know.

Senator LUNDY—Thank you for that. I will put out a press release if you announce another review. Minister, do you think there needs to be greater attention to script development in Australia?

Senator Coonan—What does that mean—greater attention? What are you talking about?

Senator LUNDY—What policies do you have to improve script development?

Senator Coonan—The announced policies.

Senator LUNDY—Okay, thank you. That was your opening to say: ‘We have a policy for script development.’ Seeing you missed the opportunity, my next question is: can you give me an update on the implementation of the government’s policy to enhance script development?

Senator Coonan—You know what we do on script development, Senator Lundy.

Senator LUNDY—You obviously do not, so perhaps I could ask Mr Dalton.

Senator Coonan—How does this arise out of additional estimates and expenditure during additional estimates?

CHAIR—A very good question.

Senator Coonan—I am getting a bit sick of this, Senator Lundy; I really am.

CHAIR—It goes to the relevance issue that we mentioned in the opening statement.

Senator LUNDY—I will explain the relevance.

CHAIR—It is not related to estimates.

Senator LUNDY—At the last election, the government announced that it was going to spend taxpayers’ money on the film industry. One aspect of that was script development. That relates to the expenditure of taxpayers’ money, some of which has already been allocated. I want to know the detail. That is a legitimate question for the purposes of this Senate estimates.

CHAIR—That is indeed, but you did not couch it in those terms before.

Senator LUNDY—The minister has managed to avoid taking the opportunity, so now I direct the question to Mr Dalton, who, from memory, was charged with the responsibility of this aspect of the government policy. Am I correct?

Mr Dalton—The primary role of the Film Commission on behalf of the federal government is to develop the Australian film and television industry, and we do that across a range of programs. We have received in the last four or five years substantial increases in funding from the government, and the larger proportion of that funding has been directed very specifically into a greatly expanded range of programs on script development. Quite specifically, we have enhanced our programs of direct producer support. We have enhanced the range of script development programs that we operate. We now have three intense residential script programs running. One is called SPARK, which is specifically for the sorts of features films that are mostly going through to the FFC for funding. We have IndiVision, which is very related to the additional funding we received in the last budget, and that is for low-budget feature films. It is just about to start; in fact, it gets launched in Sydney tomorrow night. We have international guests—

Senator LUNDY—I am sorry; what is being launched tomorrow night?

Mr Dalton—The second IndiVision workshop and screening program gets launched in Sydney tomorrow night. We have international guests arriving today and tomorrow to

participate in that program. The other very exciting initiative that we got under way with last year specifically in relation to script development was Long Black, which was specifically aimed at Indigenous filmmakers to move the growing community of Indigenous filmmakers from the short film area into the feature film area. That was another week-long residential script development program, to which we brought international guests. There is a lot of other activity, but you specifically mentioned script development.

Senator LUNDY—Can you remind me how much was allocated to script development in the Howard government's policy?

Mr Dalton—I might have to take that on notice. In the last budget, the Film Commission received an additional \$5 million, of which from memory around \$3 million was specifically directed to our film development area. Some of that has gone into professional development for production funding, and some of it has gone into expanded script development programs.

Senator LUNDY—Can the AFC get, on notice, a breakdown of the allocation of the policy announcement funding and its planned allocation over the current financial year and the out years for as long as that policy was designed to extend?

Mr Dalton—Sure.

Senator Coonan—You would be aware that it is \$24.4 million over four years for script development.

Senator LUNDY—Yes. Thank you, Minister, you have found the brief. I do forget that you are not the arts minister, that Senator Kemp is.

Senator Coonan—I did not find it actually. I am just reminding you.

Senator LUNDY—I should not ask you such specific questions perhaps. I also have some questions about the outcome of the 10BA tax review. Can the AFC identify what outcomes it is hoping for from the current review of the 10BA tax review?

Senator Coonan—I just need to correct what I said. It is \$17.5 million for script development, and the balance was for screen culture.

Senator LUNDY—Thank you. They could have at least given you the right brief when you finally put your finger on the numbers. I appreciate your diligence and accuracy.

CHAIR—That does not help. We are running out of time. Instead of making superfluous comments, why not focus on the issues.

Mr Dalton—We, I think along with most industry organisations and other agencies, have made a submission to the 10BA tax review. It is in progress at the moment, so I obviously cannot comment. I do not know what the possible outcomes are going to be.

Senator LUNDY—I think I asked you what the AFC was hoping for. I do not know if that is appropriate, but I thought it was a fair question to ask.

Mr Dalton—I do not think it is inappropriate. The submissions are not public—

Senator LUNDY—Can they be public? Can you provide yours to the committee?

Mr Dalton—Ultimately, I think that would be up to the ministers in terms of the working party on that.

Senator LUNDY—Minister, could you take on notice my question, which is to make the AFC submission to the 10BA review public?

Senator Coonan—I will refer that to Senator Kemp.

Senator LUNDY—Is the AFC in a position to identify measures that it is pursuing to foster private sector investment in the film industry, be it as part of your submission to the 10BA review or as a general comment?

Mr Dalton—As you are probably aware, the review was part of the election policy on the part of the government. It is quite an important initiative for that review to be under way, and we have made a submission to it. The motivation behind that review is to do with a concern the government always has and I know the minister is always very aware of, and that is looking at the issues of private investment into the industry. 10BA is a key mechanism there.

Senator LUNDY—I know we have had discussions several times previously about what criteria should apply to the productions themselves to attract the 10BA tax offset. Does the AFC have a specific view of the type of production that should attract the 10BA tax offset?

Mr Dalton—Can I just clarify that: it is not the 10BA tax offset, because the offset is a completely different mechanism.

Senator LUNDY—I am using the wrong language.

Mr Dalton—I think there is very little issue, broadly, with the definitions underpinning 10BA.

Senator LUNDY—I might put some questions on notice about that. I would like to turn to the National Film and Sound Archive. Can you confirm if there has been or is likely to be a significant shift towards collecting non-Australian film, television and music at the National Film and Sound Archive?

Mr Dalton—I can confirm that there is not going to be a significant shift towards collecting non-Australian film, television and sound material.

Senator LUNDY—I will ask the question without the word ‘significant’. Has there been any shift towards expanding the non-Australian collection?

Mr Dalton—There has been a commitment, particularly in the area of film, to collect some levels of international material.

Senator LUNDY—Has additional funding been allocated to the archive in order to facilitate this or are they are being required to divert funds from the Australian collection?

Mr Dalton—In developing priorities in the lead-up to the last AFC budget, an allocation was made within the NFSA’s budget towards the collection of international materials, because it was a stated and quite clearly articulated priority of the incoming director at the time, Dr Paolo Cherchi Usai.

Senator LUNDY—How is the archive defining what is Australian content with regard to programs and content to be collected under this new approach?

Mr Dalton—Broadly speaking, for the purposes of its collecting policy, the archive defines Australian material as being material made in Australia by Australians, but it also has a very particular interest in collecting work that is made outside Australia with the key participation

of key Australian creators. So the archive would certainly attempt to have a comprehensive collection of the films of Peter Weir, for instance, even though Peter Weir has not actually directed an Australian film for many years.

Senator LUNDY—Will that still be defined as Australian content for the purposes of the collection policy at the archive?

Mr Dalton—That would be broadly sitting within the area of collecting of Australian material, either made in Australia by Australians or made with the significant participation of Australian key creators. That is quite different from ensuring that there is a broad contextualising, if you like, international collection.

Senator LUNDY—Could you take it on notice to provide the committee with the details about those definitions, perhaps highlighting or at least identifying the changes in the collection policy to reflect what you are describing?

Mr Dalton—Sure.

Senator LUNDY—Thank you. The AFC was given an extra \$2.3 million over three years—I think it was \$2.3 million per annum—

Mr Dalton—It was \$2.3 million per annum for three years.

Senator LUNDY—so, totalling \$6.9 million—

Mr Dalton—That is right.

Senator LUNDY—in last year's budget for the purposes of increasing the Film and Sound Archive's audiovisual collection. Can you outline what percentage of this additional funding will be used for the promotion and maintenance et cetera of the sound collection as opposed to the visual—the audio collection?

Mr Dalton—I would have to correct the way you phrased that question. The funds were not provided as set out in the coalition government's election policy. It was not stated that these were funds to increase the collection of the National Film and Sound Archive. The funds were provided to expand the AFC's screen culture programs and in particular to look at the issue of access to Australia's audiovisual heritage.

CHAIR—Senator Lundy, we have reached our meal break. I would like to know what you would like to do. Would you like to continue with the arts portfolio after lunch briefly?

Senator LUNDY—Yes, I would. I have just got a few more questions to tie this off and then I will have finished with the AFC. So if I could ask for the committee's indulgence and have another five minutes then they can go.

CHAIR—I think the minister is leaving. We thank the minister for being here. And we will indulge you, Senator, for five minutes.

Senator LUNDY—Thank you. I take your point, Mr Dalton. My first question ought to have been: how much of that money has been allocated to the archive, if any, for the purposes of advancing Australian screen culture?

Mr Dalton—The money has been allocated to a range of programs and the archive is actively participating in some of those programs. So we have quite significantly expanded the Big Screen program, which you may be aware of. It is a touring festival program around

regional Australia, and this year we will be going to 30 regional centres and having festivals of Australian films. The key criterion for the selection of the venues or the selection of the towns is that they would otherwise not have an opportunity to see Australian films in a theatrical context. As part of the Big Screen Program, there has always been an element of classic Australian films, whether it is *The Sentimental Bloke* from 1917 or *Newsfront* from the 1980s. We have also fairly dramatically, or fairly significantly, expanded the schools educational screening program that runs parallel to the Big Screen event.

We are well under way on a program called Australian Screen Online, which again is drawing on the collection of material that is held at the NFSA but is also in partnership with the National Archives, Film Australia, the ABC, SBS and the Curriculum Corporation. That is going to be quite a major online project which will actually go live in August or September this year. It will provide an extensive educational resource based around Australia's screen materials going all the way back to early last century, and will have about 2,000 clips, around 50 hours, of moving image material available via broadband access to teachers in particular but also to students around Australia.

We have expanded our work internationally, often work that we are doing in association with DFAT. We have expanded our program of presentation of Australian film and practitioners around the world as well.

Senator LUNDY—I do not mean to cut you off, but I did give the committee a commitment. Can you tell me whether any of the funding in the list of programs—if you could take the rest on notice; I would be interested in the full list—relates specifically to the audio collection?

Mr Dalton—Australian Screen Online will have an audio component. Obviously, the rest of it is focused on the screen work. So Australian Screen Online does have an audio component.

Senator LUNDY—What new programs have been developed to promote specifically the sound archive functions and purpose nationally?

Mr Dalton—There is a sound policy being developed at the moment by the archive. That project is obviously being coordinated by the director of the archive. I think there is an expectation that a draft of that policy will be presented to the next archive advisory committee meeting, which I think is within the next month or so. So that is the intention, and that will provide a policy base and outline where the new director of the NFSA intends to take the sound collection over the next period.

Senator LUNDY—Are you able to assure the committee that the sound archive's role of the National Film and Sound Archive will not be diminished following consideration of that policy?

Mr Dalton—I think the intention is to clarify and articulate the work and the range of programs of sound within the NFSA. It is not intended at all to be an act of diminishing that role but rather one of confirming and ensuring that there are clear directions and a clear strategy about that collection.

Senator LUNDY—I am sure I will be pursuing that at the next estimates. My final question relates to the AFC's submission to, I think, the review of ABC funding. Has that submission been made public?

Mr Dalton—No.

Senator LUNDY—Can you provide the AFC's submission to the ABC funding adequacy and efficiency review to the committee?

Mr Dalton—It was a KPMG review.

Ms Williams—And as the minister mentioned to you, or perhaps mentioned to Senator Conroy yesterday, the KPMG review was part of the budget process and so may not be made public.

Senator LUNDY—I will place that question on notice to give the minister the opportunity to formally advise me of that fact and of the reasons that that is the case. Is the AFC able to confirm that they are gravely concerned about the reduction in the production of local drama by the ABC to a mere three hours in 2004-05?

Mr Dalton—The AFC has always taken the view that levels of production—the issue of volume of production of television drama in Australia across all networks and areas of television—is important. The component of that which is provided by the ABC is an issue. When volumes of drama production fall at the ABC it has the obvious effect that Australians have less access to Australian drama. But it has flow-on effects as well in terms of the economic health and wellbeing of the industry and professional development opportunities. I think it has certainly always been on the record that we believe it is an issue.

Senator LUNDY—I have no further questions for the AFC. Thank you, and good luck, Mr Dalton.

CHAIR—I thank the AFC for appearing. Thank you very much, and all the best in your new career, Mr Dalton, whatever that may be.

Proceedings suspended from 1.09 pm to 2.04 pm

Australian Film Finance Corporation

CHAIR—I welcome Senator Ian Campbell as the duty minister. He has a great interest in the arts as well as sport, I am sure. It gives me great pleasure to welcome the Australian Film Finance Corporation and Brian Rosen.

Senator LUNDY—Welcome, Mr Rosen. My first question relates to the Howard government's budget commitment to the Australian film industry. Could you confirm whether or not the budget commitments match your currently budgeted allocation for the current financial year, the next financial year and out years; whether the policy promise matches what you understand to be your out years funding allocation?

Mr Rosen—Last year we were promised an extra \$10 million a year, especially for feature film, which we have received this financial year. That has enabled us to do the biggest slate of feature films we have done so far. We have funded 16 feature films this year. I need to check with DCITA, but I think that \$10 million is for another three years. It is, yes.

Senator LUNDY—Can you give me the allocation for the 2005-06, 2006-07 and 2007-08 financial years?

Mr Rosen—At the moment \$70.5 million is the appropriation.

Senator LUNDY—For the current financial year?

Mr Rosen—For the current financial year.

Senator LUNDY—And next financial year?

Mr Rosen—And for the next financial year.

Senator LUNDY—And the financial year after that?

Mr Rosen—At the moment we are up for a triennial review, which I believe goes to the May budget.

Senator LUNDY—Is that allocation of \$70 million for the current and next financial years consistent with the policy released by the Howard government in the election?

Mr Rosen—It is, from what I know from the election, yes.

Senator LUNDY—Is the FFC considering other measures in relation to securing sufficient resources for marketing? What strategies are you looking at to better market the films funded by the FFC?

Mr Rosen—There are many objectives for the FFC. One is obviously to create as big a production slate as we can. Also, in 2004-05 we started an evaluation on feature films. To help us get a more diverse slate we created an evaluation—

Senator LUNDY—I actually have some questions about the evaluation method change.

Mr Rosen—So the answer to the question about marketing is yes. It is not just a matter about making good films; it is also about making sure that they get marketed to the public. Australian films do not generally get the same support as American films do from distributors. So we are looking at ways of how to support the marketing. The FFC is looking at putting some money towards prints and advertising to help promote the films.

Senator LUNDY—Can you tell the committee what your current policy is? At the moment do you have a strategy to fund that type of marketing initiative, or is that something you are moving towards?

Mr Rosen—Yes, we are looking at various avenues. We have the ability to do that as it is at the moment, but there is quite a demand on our money from all sectors—from documentary, television, feature films and production. So we are looking at maybe joint venturing with the private sector to see whether we can get prints and advertising.

Senator LUNDY—So are you able to point to any allocation of funds for that purpose at this point in time?

Mr Rosen—We have on a case-by-case basis two films where we have put money towards prints and advertising. But in an ideal world, yes, we would like to be able to, as we go forward, see if we can allocate more money to prints and advertising.

Senator LUNDY—Have you made a submission to government for additional funding for that, or will you be left to find it amongst your existing resources?

Mr Rosen—With the triennial review we have identified a few areas and initiatives that we would like to do. We have given that to DCITA. They are the ones that take any bids forward to government, so you would have to ask them as to where that stands.

Senator LUNDY—I will. I just acknowledge that the minister for the arts is not here. This would normally be a question I would ask of the minister, but perhaps I could ask the department whether the department is aware of this issue being considered by government or whether the department has prepared any advice for government specifically relating to a marketing and promotion budget for FFC funded films or documentaries.

Ms Williams—Senator Lundy, you will understand that we have of course looked at everything that has come forward from the FFC, as has the minister, and that will be considered in the budget context.

Senator LUNDY—I am not asking you for what the advice was, but can you confirm that this issue was the subject of some consideration or advice from the department to the minister?

Ms Williams—We discuss all these things with the minister, Senator Lundy. We would not ever dream of anything that came in from the FFC not going forward to the minister.

Senator LUNDY—Can the FFC identify any other specific measures that they have thought of or put forward to the department that could help increase the marketing budget for Australian films? Besides just more money and spending it directly, are there any other strategies? You mentioned, for example, a partnership with the private sector. What sort of thing did you have in mind?

Mr Rosen—The FFC, over the last few years, have tried very hard to get the private sector to re-engage with the film industry. We have entered into joint ventures with several private sector entities to help fund films. We have also worked with the distributors of several films as far as the marketing of those films is concerned. So we really do it on a case-by-case basis.

Senator LUNDY—You mentioned before, and I know we have discussed it a few times across the estimates table, the change in evaluation methods of films considered for funding by the FFC. Can you update the committee as to how this is being implemented and give us any observations you have on the effect on the nature and type of films that you are funding?

Mr Rosen—What we are trying to do in combining evaluation and marketplace is to have a diverse slate of films. We are hoping those films will be able to reach all sectors of the Australian audience. So there is children's film we have funded, there is a family film, there is the thriller—so various different genres. It is still too early to be able to really evaluate how well that is working because only one film that has gone through evaluation, *Little Fish*, has come out. A very small film that we put a very small amount of money into called *The Magician* did come through evaluation. For a very small film with limited release it did reasonably well, and will probably do quite well on DVD. But the rest of the films are only just coming through. *Candy*, which stars Heath Ledger, Abbey Cornish and Geoffrey Rush, is in the Berlin Film Festival, and that is an evaluation film. So they are only just coming online. In the next six months we will have a stronger handle on how it is working.

Senator LUNDY—As yet have you received any feedback from stakeholders about the change in your evaluation methodology, and are you documenting that in any systematic way?

Mr Rosen—We have regular meetings with our stakeholders, with the various guilds. We are also about to launch in every state around Australia seminars which all film-makers are welcome to come along to to look at and discuss the guidelines. We will inform them as best we can of the various initiatives, how they are working out.

Senator LUNDY—Thank you; we will revisit that at the next estimates. I would also like to ask you about the 10A and 10BA film tax review. This was obviously a big issue at the last election. I certainly am aware of the sector's view that the current guidelines are too narrow and should be expanded. What is the current status of that review, as you understand it? Are you of the view that the application of that 10BA provision is still too narrow?

Mr Rosen—We co-invest with 10BA investors, but I have no idea as to where that review sits. I believe that, again, it is a different department.

Senator LUNDY—Have you made a submission to the review?

Mr Rosen—Yes, we put in within the parameters of the review what thoughts we had.

Senator LUNDY—When did you make that submission?

Mr Rosen—I would have to take that on notice.

Senator LUNDY—Have you been advised about when that report is likely to be made? It is quite difficult because we are trying to get more detail about the process of the review. So it might be a good time to ask the department what their knowledge of this review is and how it impacts on stakeholders in the film industry.

Ms Williams—Perhaps I can at least give you the time line, Senator Lundy. Just recapping, the discussion paper was issued by Senator Kemp on 22 September. Submissions closed on 31 October, although late submissions were accepted, and there were 29 submissions. Obviously they were brought together, and that is currently under discussion in government.

Senator LUNDY—Is the FFC in a position to identify measures that they believe would assist greater private investment in the film industry?

Mr Rosen—What the FFC has identified and what is in its power to be able to do is that we subordinate our investment when a 10BA investor comes in to give them a better chance to recoup their money. So that is what we are doing. We have had three, if not four, films with 10BA investment in them where that sort of financing paradigm was put in place. It has raised quite a bit of money. *Jindabyne* was one of those films. Obviously we would like to have more 10BA investment. We are working with the private sector and with various banks to see whether or not we can get a greater appetite from the investment community to invest in Australian films.

Senator LUNDY—As part of the FFC's submission to the review, did you advocate any specific changes to the nature of productions that could attract that tax rebate under 10BA?

Mr Rosen—I think I will have to take that on notice.

Senator LUNDY—Just to clarify with the department, there is no issue with FFC advising the committee on their view in their submissions—or is there?

Ms Williams—I might have to pause a bit on that one, Senator Lundy. We were hoping to put the submissions on the DCITA website but only once the review had been finalised.

Senator LUNDY—I think Mr Rosen has taken that on notice, so if you could follow through with that. We would certainly consider the view of the FFC as being a very important public interest in the context of the government's review. That is all I have. I will put further questions on notice.

CHAIR—Thank you, Mr Rosen.

[2.18 p.m.]

National Archives of Australia

Senator LUNDY—Welcome to the National Archives officers. One of the issues that we have followed through over the years is the resourcing and staffing of the National Archives. It is my understanding that there has been some issue recently with respect to sustaining an appropriate level of resourcing to fund all of the demands on the Archives. So I was wanting to know initially at least whether there has been any difficulty with the Archives retaining an appropriate level of staff or indeed the previous level of staff at the Archives over the last financial year.

Mr Gibbs—We are going through a process of reviewing projects, and I think you may be aware that we have not renewed some non-ongoing staff and some contract staff. But our ongoing staff entitlement and numbers remain the same. I think our difficulties are the same as everyone else's. We have a four per cent salary increase and the productivity savings to contend with. It is difficult, but it is hard to complain because every other agency is going through the same process. We are dealing with it, I imagine, in the same way they are.

Senator LUNDY—I think that is an important point: that everyone is having to deal with this basically ongoing reduction in their operating budget. Can you provide the committee with a picture of how that operating budget has impacted on your staffing allocation in real terms?

Mr Gibbs—As I have said, our staffing allocation in terms of ongoing staff has not gone down at all; it has remained about the same. It has been in non-ongoing, which is more project specific. It is in that area. I could take the question on notice, but it is having an effect more on the volume and the amount we are doing in each area. As far as I am aware, no specific program is threatened or has been in danger.

Senator LUNDY—You mentioned project staff and contract staff. What is the nature of what they were occupied with, and what is now not happening at the Archives as a result of those contracts not being renewed and those projects not continuing?

Mr Gibbs—A lot of the reason why the Archives had non-ongoing staff was the preservation funding we had for several years which was not ongoing. We could not therefore give guarantees of employment and we necessarily had to employ on a year-to-year basis. The approval we have got to regard that as ongoing has meant that we can in fact convert a lot of those positions from non-ongoing to ongoing. So there are two processes going on. Some of the projects are being wound up because they no longer apply because of the short-term nature of them. We are removing some non-ongoing staff and putting others onto the ongoing books. Particularly in Sydney, where the audiovisual collection is mainly held, quite a few staff who were previously on a year-to-year basis are being put on our ongoing staff books. So

it is a process in that way. It really arises from that change in the preservation funding from being capital to being operational last year.

Senator LUNDY—Apart from the staffing impact, how does that change in preservation funding from capital to ongoing impact on your ability to continue with, for example, the digitisation of the collection held by the Archives and those types of projects?

Mr Gibbs—All those projects are continuing. It is not having any impact on those at all. In fact, at the moment we are still digitising at the rate of about a million items a month.

Senator LUNDY—Can you confirm that there has been a decision not to fill vacancies that arise at the Archives, for either non-going or particularly ongoing positions?

Mr Gibbs—I do not know that is a change. That is certainly in place, but it was in place in the Archives when I arrived and it is not that much different now. We look as an organisation before we fill, but I think that is just due diligence. Probably for the reasons I said earlier we are maybe being more careful than usual, but it is not unusual in the Archives' recent history that we operate that way in looking at filling our positions.

Senator LUNDY—What have you been able to do with respect to this situation to ensure that you do not lose people with extensive corporate knowledge that has been developed over years? Is there an issue with a brain drain, and what can you do to stem it?

Mr Gibbs—That is a real issue, and it was an issue for many years because for the three years previously when we had the preservation funding capitalised we could not offer ongoing employment. Particularly in Sydney it was difficult to maintain the specialist staff who had come across from other audiovisual departments because we could not offer ongoing employment. As I said before, it remains an issue. But the upside of that is we have been able to offer ongoing employment to several staff in Sydney and in Canberra because now it is regarded as operational funding. So there are two sides to it. Certainly we have lost some people. We have over the last few years because of that uncertainty. The upside now is we are able to offer permanent employment—sorry, not permanent employment; ongoing employment.

Senator LUNDY—At the moment are there any sections within the Archives that are perhaps under threat or suffering due to a lack of experienced or qualified staff, that you are trying to shore up?

Mr Gibbs—I do not think so. There have been changes, but change is a good thing. One of the things I have noticed since I have been here is that we have a staff turnover which is less than the Commonwealth average, and probably the balance is about right. We regularly look at the organisation and the percentages. An awful lot of people have been with us for 30 years. We have 30-year ceremonies almost monthly. So it is important we renew as well and get some new staff on board. I think that the percentage at the moment is about right.

Senator LUNDY—What training facilities and opportunities do the Archives provide for staff?

Mr Gibbs—For new staff, do you mean?

Senator LUNDY—For new staff and existing staff.

Mr Gibbs—The operational training mechanism we use has just been reviewed, and there is a new training program being put in place. I think in the past we have been a fairly generous sponsor of full education support, conference attendees and other training as well. The review has just looked at that. We are in the process of implementing that in this calendar year.

Senator LUNDY—So what does the review recommend with respect to training?

Mr Gibbs—In terms of conference attendance, I think we have—it may not say it specifically like this—probably put too many resources into conference attendance and not enough into specific hands-on training and support. So getting that balance right is what the shift will mean.

Senator LUNDY—Have any exhibitions or specific projects been abandoned due to lack of experienced or qualified staff?

Mr Gibbs—No, I do not think so.

Senator LUNDY—Could you take that on notice?

Mr Gibbs—I will. In fact, can I say I am sure so. We have four exhibitions on the road at the moment, including one in Western Australia that is currently at the Western Australian Museum and about to go down to Geraldton. We have just got Visions funding for our *Just Add Water* exhibition tour, and that will now go to five states and 13 venues. I am not trying to be blase about it, but our exhibition program on the road at the moment looks healthy.

Senator LUNDY—What about the exhibition space here in Canberra?

Mr Gibbs—As you are aware because you are a local, at the moment we are looking at and are refitting the exhibition gallery in the Parkes building. We are going through that process as we speak.

Senator LUNDY—In terms of that process, are there any exhibitions within that facility that have been either changed, modified or abandoned as a result of a lack of qualified staff?

Mr Gibbs—The exhibition we have there at the moment, *Summers Past: Golden Days in the Sun*, which we launched in January, has been enormously successful, mainly because it made the Channel 9 morning show in January, which did wonders for our attendances. We are looking now at what we put in there next. You would have noticed that over the last couple of years we have not been a recipient of touring exhibitions from other places. We are just getting into that program. We have had exhibitions from the South Australian Museum and other places. We are looking at getting that mix right—a mix of exhibitions of our own and bringing in exhibitions from other places. One of the difficulties—and can I speak as someone who was on the Visions board for seven years—is that there are not that many exhibitions of, if I can put them in a category, social history heritage like the Archives does. There are not that many to bring here from around the country. So that is a concern. What you are raising is a valid point, but we are trying to address it not just by our own exhibitions but by getting a robust exhibition touring program visiting us as well.

Senator LUNDY—So does that mean you need to vacate some of the exhibition space that you currently occupy for the purposes of those travelling exhibitions?

Mr Gibbs—No, we have that temporary exhibition space at the back, Gallery 2 as we are now calling it. They will go in there.

Senator LUNDY—So for those exhibitions you will not be diminishing the others or reducing their actual floor space?

Mr Gibbs—We hope not, no.

Senator LUNDY—Thank you. Those are all the questions I have. We will place any further ones we have on notice.

CHAIR—Thank you for appearing.

[2.30 pm]

National Gallery of Australia

CHAIR—We welcome the National Gallery, in particular the new director, Mr Radford. Over the weekend I read in the papers a very interesting article about your plans for the Gallery. We look forward to hearing from you on a regular basis in this estimates process.

Senator LUNDY—Welcome, Mr Radford. I would like to start by asking you what implications the Auditor-General's report *Safe and accessible national collections* has for the National Gallery of Australia.

Mr Radford—Could I pass that on to my trusty deputy? That is his area.

Senator LUNDY—By all means.

Mr Froud—Senator, the report contained a number of recommendations, and I think that nine of those recommendations had application to the National Gallery. Each of those recommendations is currently now being actioned. We are progressing our work in addressing the matters that the Auditor-General has raised. They go to issues like making our acquisitions policy and acquisitions strategy more focused and more detailed. The director and the curatorial staff in particular have been focusing on the development of an acquisitions strategy that looks out some years. Some of the collections are in the possession of but not owned by the Gallery; they are in fact Commonwealth collections which have been housed by the Gallery. It has been identified that we should seek to finalise issues regarding ownership of and intended destination, I suppose, for some of those works. Some of those works might even be repatriated to other countries, for example. Those are all possibilities that we are working through. A number of issues, such as IT and IT security related issues and collections management issues, are being looked at. So we are dealing with those issues progressively.

Senator LUNDY—Did the report raise the issue of intellectual property of the digital images of the works in the Gallery?

Mr Froud—It has. We have been invited to develop a collections management policy in terms of the digital images. That is certainly something we have been active on. We have developed a draft policy in response, but that has not yet gone through all of the hoops that it needs to within the organisation before we will commit and publicly release our policy on that.

Senator LUNDY—Do you have an existing policy?

Mr Froud—Just to put that into context, the Gallery is well versed in and has long practised intellectual property and management of copyright. I think the issues that this report raised were particularly directed at the opportunities that the digital environment afforded and our need to in fact make our policy more robust in that regard.

Senator LUNDY—Perhaps you could provide it to the committee once it is completed.

Mr Froud—Yes.

Senator LUNDY—What about the physical environment at the Gallery?

Mr Froud—I think the report made one recommendation about how we might improve the monitoring of or how one would develop appropriate key performance indicators about physical environment. This report was written from a collections perspective, of course. So a couple of institutions, the Gallery included, were invited to look at what key performance indicators might be appropriate. The Auditor-General actually offered advice about one that they thought was a good model. I believe they invited us to consider one that was used at the War Memorial. So we have been looking at that.

Senator LUNDY—You have mentioned a couple of recommendations out of the nine applicable to the Gallery. Could you nominate now any other specific actions or initiatives that you have taken arising directly from that report?

Mr Froud—I would happily take that question on notice, just to be accurate.

Senator LUNDY—I will get you to do that too.

Mr Froud—I would need to refresh my memory by looking back at the recommendations. I mentioned previously a more focused collection development policy and acquisitions criteria, and that is actively being developed at the moment.

Senator LUNDY—That will go to the board at some point?

Mr Froud—Correct.

Senator LUNDY—Is there a time frame?

Mr Radford—We are developing a 10-year acquisitions strategy which will in May go to a special all-day board meeting especially for that purpose. It is a 10-year acquisitions strategy.

Senator LUNDY—So big?

Mr Radford—Very big. Enormous, in fact.

Mr Froud—The third recommendation related to that matter that I have mentioned is Commonwealth collections and giving a high priority to the assessment and possible disposal of those collections. There was a recommendation about a detailed security risk assessment to underpin our information technology security plan. The Gallery has developed an IT security plan which has been recently endorsed. So we have done that.

I mentioned there was an issue about key performance indicators on the care of the collection, and that is still under consideration. There is another which is related: developing key performance targets set for facilities repair and maintenance, looking at how critical the environment would be. So that is likewise being addressed.

Senator LUNDY—But not completed?

Mr Froud—No, not at this point, and not adopted at this point. There was another that recommended that each institution evaluate current exit procedures and ensure staff ceasing work do not retain security access cards and systems access. So that has been picked up as part of our IT security policy in the improvements in and the tightening of that. There was a recommendation for the Gallery specifically to review access to storage areas. Again, that was looking at security issues et cetera—who comes in and for what purpose. That has been addressed, but it is part of a broader policy that is tightening in that area. I think we are just about there.

Senator LUNDY—I am happy for you to take the rest on notice. But a full explanation as to each recommendation, the Gallery's response and its status would be helpful.

Mr Froud—Yes, I am happy to do so.

Senator LUNDY—It is a nice segue into a very interesting article I read the other day in the *Financial Review* about some of Mr Radford's ideas about the future of the Gallery. Mr Radford, what is the current status of that vision as you expressed it in the article, particularly as it relates not just to quite substantial changes to the entrance, which is an issue we have canvassed at many a Senate estimates hearing, but also to a new Indigenous gallery and, from my reading of it, to substantial changes around the front of the building? Use this opportunity to update the committee as to your direction, please.

Mr Radford—We do not now call it the front entrance. It is now the Indigenous galleries, which also has a front entrance and also a function room, which we do not have at the moment. That is all in stage 1. Each of the Indigenous galleries is designed specifically around the various natures or different aspects of Aboriginal art, like Western Desert dot painting or early bark paintings or Kimberley. So we are designing galleries around Indigenous art.

However, even before stage 1 and independent of stage 1, this year we will be doing a completely new display of Asian art, bringing Asian art from the basement to the main collection area, starting first in August with a new gallery of Indian art, then at the end of September with a new gallery of South-East Asian art, and then towards the end of the year with totally new galleries of late 19th century and 20th century international art. So virtually the whole of the main exhibition floor will be changed, totally redone and relit by the end of this year.

Senator LUNDY—That is not contingent on stage 1?

Mr Radford—No, that is independent of stage 1. The rest are contingent on stage 1. Also, connected with that, we will have commenced by then a new reinstallation of the sculpture gallery. The sculpture gallery was created for sculpture when the Gallery first opened and has subsequently been used for other things. We are returning it to its original use, with the Brancusi birds being installed as our major international early 20th century works and gradually adding installations of 20th century Indigenous and even Pacific art in that same gallery. That, again, is not contingent on stage 1.

Senator LUNDY—What does stage 1 involve?

Mr Radford—Stage 1, as I mentioned, is the new Indigenous galleries. We have never had a special space for Indigenous art. Now it is one of the most popular and largest areas of the collection. We own the largest contemporary Indigenous collection that exists anywhere. Most of it is in storage. So that is very important. The design is day lit, so the works can be seen in natural daylight, except those fragile works like Indigenous watercolours, prints, textiles and baskets that need to be in smaller galleries without any daylight because of the nature of their fragility.

The new entrance area will be much more accessible and noticeable on the ground level. It will have a new enlarged bookshop, and a new area for openings and functions. In the daytime it can be used for orientation of children. That will spread out into a new garden of Australian native trees, and that area can be used for orientation of school groups in the daytime and openings and events at night. We will have accessible lifts, which we do not have at the moment, for the disabled and escalators to the next floor. The ramps at the moment are not compliant with occupational health and safety standards. So all of that will be addressed.

I forgot to mention that where the current bookshop is there will be a new gallery especially for the Sid Nolan Kelly series, which is our most popular Australian work. Senator Lundy, you have even been known to admire a key work from that quite recently.

Senator LUNDY—Indeed I have.

Mr Radford—The Nolan series will be one of the first works you will see as you enter the special gallery created out of where the rather squashed, inadequate bookshop is now.

CHAIR—Will we have a new bookshop? It is a very good bookshop, I must say.

Mr Radford—Yes, a much enlarged bookshop. It is looking a little bit shabby at the moment.

CHAIR—Cramped.

Mr Radford—And it is rather extending too far down the corridor for aesthetic reasons. It is not looking the best at the moment.

Senator LUNDY—Thank you. I would like to place on notice a request for any further information you would like to add to your description, particularly about stage 2. Given there is a stage 1, I am presuming there is at least a stage 2.

Mr Radford—Yes, there is a stage 2. Do you want me to talk about stage 2?

Senator LUNDY—No, because I have such a tight schedule. But please do take the opportunity to provide it on notice.

Mr Radford—Okay.

Senator LUNDY—I would be very interested to follow through and I might seek a further briefing on the issue. You had better give me an outline of stage 2. How can I not hear about stage 2—and stage 3, for that matter?

Mr Radford—We do not have a stage 3. Stage 2 is to bring the non-Indigenous Australian art down to the ground floor to follow Indigenous art, to have a new enlarged display accessible on that main level. The current space is too small. The ceiling is too low. There is no natural daylight. It is very inaccessible in that you access it by a very large staircase into a

corridor, which is not a very inviting space to show our own culture. We believe the National Gallery of Australia should show our visual culture much more expansively, more beautifully, and with special galleries designed specifically for the history of Australian art. So they are to be brought downstairs.

Underneath that will be what we like to call study storage, where most of the collection will be stored and accessible one or two days a week. A new library will also be down there. We have the largest art library in Australia. There will also be special study rooms to access our large works on paper collection. The whole new expansion is to be called the Centre for Australian Art. So it is a centre for studying Australian art; it is a centre for viewing Australian art. In that gallery, however, we are planning a special gallery for Pacific arts. We do not have a designated space for the arts of the Pacific. We have identified that as an area that we want to expand on in our 10-year acquisitions strategy as a very important area—both contemporary and historical works from the Pacific.

On the other hand, the spaces vacated upstairs are ideal to show our large textile collection, particularly our Indonesian and Indian textile collections, which are the largest that exist anywhere in the world; our very large American print collection; and our prints and drawings collection of European art of the 19th and 20th centuries. So those spaces upstairs, while inadequate to show Australian art, are perfect to show with great density our vast stored collection of textiles and works on paper. The main problem is that we have not had extra collection display space since the building was conceived in the late 1960s. It was conceived to show 1,000 works. We now have 130,000 objects.

Senator LUNDY—So how much increased floor space do you envisage there will be with both stage 1 and stage 2 completed? Will you double the floor space or treble it?

Mr Radford—Treble the display space, yes.

Senator LUNDY—Treble the exhibition space?

Mr Radford—Yes. The permanent display space will be almost trebled.

Senator LUNDY—The big question of course is: what is the current status of stage 1 and stage 2 with respect to budget funding? I have not seen an announcement by the minister, so I presume this is the subject of budget consideration.

Mr Radford—Yes. Stage 2 is a twinkle in our eye at the moment.

Senator LUNDY—So you have not even asked for the money for stage 2 yet?

Mr Radford—No. Stage 1, however, is in the budgeting process.

Senator LUNDY—I know there is no point asking the minister about that. Are you anticipating some sort of budget decision for stage 1 in this coming budget?

Mr Radford—Yes.

Senator LUNDY—Perhaps I could leave on notice a question for the minister as to what is the minister's attitude towards this request from the National Gallery of Australia for additional funding. I know better than to try to get a figure put on it, but we will see.

Senator Ian Campbell—I do not think it is a sensible question to take on notice because, I think as the secretary said, these sorts of decisions go through normal budget processes. As someone who is on the ERC, I am beginning to understand those processes.

Senator LUNDY—We will find out.

Senator Ian Campbell—I would wait until that famous night in May. But the minister is an outstanding minister for arts and sports. I always have a lot of sympathy for him when he gets to the ERC.

Senator LUNDY—Could you also take on notice to provide the committee perhaps with some indicative drawings of your stage 1 and stage 2?

Mr Radford—Yes, we will.

Senator LUNDY—I think that would be very interesting.

Mr Radford—Very much so.

Senator LUNDY—I am sorry I cannot spend more time on this issue, but I know that the National Gallery of Australia is working closely with the National Library on their exhibition *National Treasures from Australia's Great Libraries*.

Mr Radford—Yes, that is right.

Senator LUNDY—My understanding is that the fee for the National Gallery of Australia's services to the National Library in relation to the national treasures exhibition was established on a cost recovery basis and totalled some \$120,000. I am interested as to how that service fee of \$120,000 was calculated and what it effectively buys the National Library.

Mr Radford—I will give that over to Alan to answer. We certainly were absorbing and wanted to absorb as many costs as we possibly could, because we thought this was a fabulous show and a wonderful collaboration. But we had to put on extra staff to actually deal with the quite complex loan requirements that are now expected to get indemnity. Indemnity does actually cost money.

Mr Froud—The \$120,000 figure was determined having regard to the actual costs that the Gallery would incur. Largely it relates to staff costs. An additional person was actually engaged to facilitate the project, in addition to the time that other staff were required to devote to the task.

I think the dimension of the exhibition and why it is so expensive to manage as the managing organisation for this indemnified exhibition is that it does actually have a very extended period over which the project is to be delivered. The national tour is something like two years. There are ongoing obligations with each of the venues, with each of the lenders, and to satisfy the government's indemnity requirements, which are essentially risk based and managed on that basis. But, nonetheless, the strength of the indemnity scheme has been that there has been considerable attention to detail. It takes a good amount of time to attend to those requirements, to anticipate what issues might be associated with the logistics in each of the venues, the movement of works in and out, condition reporting and moving things around. I know it might sound an expensive figure, but when one looks at the project from its inception and the engagement of the managing organisation until the end one sees that it runs

for something like two and a half years. We have some extra people who have had to commit to basically manage that process over that time.

Mr Radford—We did make suggestions on a cheaper figure if staff from the Library could do a lot of that, and they chose to go that way. We had worked out a cheaper way using their own staff, but they preferred to do it this way.

Senator LUNDY—Thank you for that. I will place further questions on notice, given the time constraints. Thank you for being here. It is good to see you at estimates, Mr Radford.

CHAIR—Thank you very much, Mr Radford.

[2.53 pm]

National Library of Australia

CHAIR—Welcome, Dr Cathro and Mr Linehan.

Senator LUNDY—Welcome. You will find this refreshingly brief. The committee also notes that Ms Jan Fullerton notified us previously of her absence.

Dr Cathro—I would like to reiterate the apology that she gave that she could not appear today.

Senator LUNDY—Thank you for that. She actually has a pretty good record, so it is okay.

CHAIR—We appreciate that apology.

Senator LUNDY—I just wanted to take this opportunity to ask how the national treasures exhibition was proceeding. I know it has been extremely popular. I just wanted to give you the opportunity to place on record your anticipated visitation numbers, how you intend to reach your targets and so forth.

Dr Cathro—Certainly. It just finished at the Library on Sunday. It will be heading to Melbourne now. We had quite an aggressive target of 65,000 visitors. We exceeded that target. We ended up with just over 73,000 visitors to the exhibition.

Senator LUNDY—Congratulations.

Dr Cathro—That is more than 1,000 a day. Given the space in the gallery and the environmental constraints, that was really as much as we could have hoped for. As I said, the exhibition is travelling. It has been a splendid collaborative exercise between the National Library and all of the state and territory libraries. There have been also a number of events that we held in conjunction with the exhibition, and these were very popular.

Senator CROSSIN—Is it going to the Northern Territory?

Dr Cathro—It will be going to the Northern Territory, I think not until early 2007, from memory.

CHAIR—And presumably also Western Australia?

Dr Cathro—Yes. It is off to Melbourne, and then Hobart will be the next—

Senator LUNDY—Perhaps, for the benefit of senators from other states who are not present, you could just give a little potted outline of where it intends to go over the next two and a half years.

Dr Cathro—It will be in Melbourne, opening on the evening of 9 March, until early May. I think it opens in Tasmania in late May until mid-July. Then it is off to Sydney, the State Library of New South Wales, until October. Then over the Christmas-New Year period it will be in Brisbane. After that, it will go to Adelaide in early 2007, followed by Perth and Darwin. I think the dates for the last two are yet to be firmed up.

Senator LUNDY—Thank you for that. Have you been able to project the entire cost of the exhibition? Is it a loss-making or break-even venture for the Library, or were you able to make a bit of profit?

Dr Cathro—The gross cost to the Library was, from memory, around \$3.4 million. But then the net cost to the Library is something like \$1.1 million because we have received an excellent response from sponsors as well as contributions from our state library partners and sales of the exhibition catalogue. So there is a net expense that the Library has. But it has an ongoing exhibition program, and this has been an exhibition which has received the sorts of resources you would expect us to put into an exhibition of this nature.

Senator LUNDY—For the purposes of future endeavours such as this, and I acknowledge it has been a huge collaborative effort, are you surveying either attendees or participants in the exhibition for future plans? What is your thinking as an institution that seems to be getting more involved in conducting exhibitions and things?

Dr Cathro—We certainly do regular surveys of all of our services, including visitors. I believe there was some sort of evaluation of the visitors to this exhibition, but I am afraid I do not have the details of that. It will be some time, I think, before we undertake another exhibition of this magnitude. Of course, we are also providing support with advice and so on to other venues as the exhibition travels.

Senator LUNDY—So you have a process by which you will accumulate that feedback, process it and use it to inform future exhibitions?

Dr Cathro—Our exhibition planning committee will be looking at that.

Senator LUNDY—Thank you very much.

CHAIR—How is the digitalisation of your records and photographic records proceeding?

Dr Cathro—We are continuing to move steadily in digitising our original materials like pictures, rare maps and publications like music scores. We want to move more into bulk digitisation. We have a program to digitise Australian newspapers and aims in that area. We would like to move to things like out-of-copyright magazines and journals as well to increase access to that sort of collection material. So, in general, we would like to build on what we have done. We have digitised, I think, well over 100,000 collection items. It is still only two per cent of our collection. We would like to look at digitising at a greater rate some items like the newspapers and journals.

CHAIR—How long do you think it will take you to digitise your 100,000 items?

Dr Cathro—How long did it take us?

CHAIR—How long will it, or where are you at?

Dr Cathro—We have done 100-and-something thousand now, and that was started in 1996, but particularly it accelerated around 2001. I do not think we will ever digitise more than five per cent or so of our whole collection.

CHAIR—Interesting, because it is being done in other centres. The Americans are doing it, and I believe the British library is doing it as well, but they have bigger programs, I gather.

Dr Cathro—And they are often fortunate to receive funding from things like National Endowment for the Humanities, for example, in North America, and other programs like that which we do not really have any equivalents of in Australia.

CHAIR—No, that is a matter of some regret.

Senator Ian Campbell—We need a higher generation of wealth to get to that stage. It is beginning to occur in Australia. We need some more fortunes to be created.

CHAIR—Indeed we do. With good government they will come. Thank you very much. That is interesting to have an update on.

Senator CROSSIN—I want to follow up on something that I probably raised with you the best part of two years ago now, when the new funding agreements with Indigenous organisations were being transferred from ATSIC into the department. It specifically goes to clause 11 in those agreements. Just clarify this for me: clause 11 was particularly introduced into those funding agreements—would that have been about 18 months ago now?

Ms Bean—For the funding agreement that was applied across government for the 2005-06 funding round, there were changes made to clause 11; the clause was in the agreement prior to that. I do not know when that originated. I understand it was a fairly longstanding clause, but I can take that on notice to check the exact originating date.

Senator CROSSIN—So, the rewording has been introduced in the 2005-06 agreement?

Ms Bean—The rewording was introduced in 2005-06.

Senator CROSSIN—I have a copy of clause 11 here. This is a 2004-05 agreement that I have in front of me, so what would be the major changes?

Ms Bean—In respect of last year's funding round there were concerns expressed at the breadth of the IP clause and fairly strong representations were made to us and to other departments by various Indigenous groups and some work was done across government to narrow the scope of that clause.

Senator CROSSIN—Do you have a copy of the current IP clause with you so that I could compare it to the one I have?

Ms Bean—No.

Senator CROSSIN—Can I ask you to provide that to the committee?

Ms Bean—Yes, certainly. I will take that on notice. Can you bear with me one moment. I am just having a look at my material on this topic to see what I do have. No, sorry, we do not have it with us, but I can take it on notice.

Senator CROSSIN—It would not be too hard to get, I do not imagine. I am wondering if it is possible to get it sometime today, but I will leave that with you. From memory, or do you have with you, specifically what clauses were changed and in what way?

Ms Bean—I think a number of changes were made across the agreement and, no, I do not know. I never actually saw either of them in terms of analysis of the detail of the agreement, but there were changes made right through the agreement.

Senator CROSSIN—I am particularly interested in the IP clause.

Ms Bean—I do not know exactly, but essentially—perhaps I can explain the perceptions—the concerns expressed by various stakeholders, including Indigenous groups, including the Arts Law Centre, were that the original clause gave the Commonwealth a licence in respect of material produced in connection with the agreement. There was concern expressed that that could, for example, mean that the Commonwealth had a licence in respect of artworks that were produced in an arts centre that was funded through that agreement. That was not the intention of the clause. The Commonwealth's need was to have a licence in respect of various reports et cetera produced in connection with the agreement for the purpose of accountability and for perhaps some residual promotion of the programs. We worked with other departments and primarily with OIPC, which is the lead agency on this and which was then in the immigration portfolio and is now in the family and community services portfolio.

Senator CROSSIN—I am well on top of that.

Ms Bean—The scope was narrowed in an effort to make it more clear that it related to the reports rather than to the original works produced.

Senator CROSSIN—I think that is the concern I raised 18 months ago, when it was first introduced.

Ms Bean—Yes, I do believe we might have had a conversation about it at a former estimates. So that work was done this year. The Arts Law Centre in particular—and there may have been other representations—are still expressing some concerns. There is acknowledgement that work has been done to narrow the scope of the agreement, but they have raised peripheral concerns, if you like, that it is not narrow enough and that the language is too complex, for example. As part of working through the processes for the funding round for the 2006-07 year, all agencies that use this cross-government agreement are reviewing the agreement to make sure it meets the needs for the coming year.

Senator CROSSIN—For the next funding round?

Ms Bean—Yes, for the next funding round, which is for money to go out for 2006-07 and that will be taken up as part of that examination.

Senator CROSSIN—When the change to the wording was made between 2004-05 and 2005-06 were relevant organisations consulted or notified of the change, or do they only get a chance to pick it up when they get a new funding agreement?

Ms Bean—There was certainly a booklet produced that set out the general terms and conditions.

Senator CROSSIN—When was that? That was originally, though, was it not, not when the changes were made?

Ms Bean—That was produced last year, when those changes—

Senator CROSSIN—When it was revised?

Ms Bean—Yes.

Ms Bean—We were not the agency responsible for consultations, so I am unaware of the extent of consultations that took place.

Senator CROSSIN—Who would have undertaken those consultations?

Ms Bean—That would have been led by the OIPC.

Senator CROSSIN—I might actually ask for a copy of the revised booklet because I have the original one, not the latest.

Ms Bean—Certainly.

Senator CROSSIN—What is the intent of the clause? What does the government intend to do with the clause?

Ms Bean—As I said, concerns have been expressed that the language is too complex, for example. In the broad, what we would expect is that all the concerns that have been raised by various stakeholders will be looked at and we will make an assessment, and consult the lawyers of course, and make any changes that are considered necessary and appropriate. It is not set in concrete. It is not inflexible. We are quite happy to make changes. If it is not doing the job, then we change it.

Senator CROSSIN—Who would you consider to be the stakeholders?

Ms Bean—Clearly Indigenous groups. In our portfolio, for example, it would be art centres, the peak bodies like Desart and ANKAAA, and then there are others in the other areas, such as FATSIL, the national languages group. There are a number of peak bodies across different areas. There are also other more general organisations that express interest at different times for example the Arts Law Centre, the National Association for the Visual Arts, and generally a wide body of people that have an interest either in Indigenous art or as funding recipients, or both, and other parts of government.

Senator CROSSIN—What do you see the impact of clause 11 having on the capacity of the Indigenous organisations to capitalise on their own IP?

Ms Bean—The Commonwealth's intention is not to take away any rights of exploitation in respect of the artworks. The underlying intention is that information provided by grantees can be used for the purposes of preparing reports et cetera for Commonwealth purposes and for accountability and reporting to parliament and that sort of thing and for promoting of the scheme of our programs. It is not that we want to, for example, have a licence to use a piece of artwork to put on a Christmas card or anything. We are interested in having the ability to use information for purposes in relation to the program.

Senator CROSSIN—How do you explain this clause, 11.10:

Subject to this agreement where we ...

which I presume is the Commonwealth government—

... propose to use any material, activity material or existing material not in the public domain in a manner which will result in that material being disclosed to the people other than the Commonwealth, the minister, the committee of parliament, we shall notify you in writing of the proposed use.

What does that relate to?

Ms Bean—I do not know and I do not know that that is actually in the current agreement. I simply do not know.

Senator CROSSIN—It is not in the current agreement?

Ms Bean—I do not know.

Senator CROSSIN—Can you take that on notice for me?

Ms Bean—I certainly can.

Senator CROSSIN—Could you also take on notice then under what circumstances the Commonwealth would action that clause if it is still in the current agreement?

Ms Bean—I would imagine that probably relates to promotion of the scheme. I will take it on notice, but I would say it would be the primary—

Senator CROSSIN—So, can I ask you this then: in general contracts of terms and conditions that you may have funding agreements with a whole range of organisations, is this clause 11 in each and every funding contract that you use, or is it only in contracts relating to Indigenous organisations?

Ms Bean—I cannot give you a definitive answer on that. There is normally a clause that deals with intellectual property and the intellectual property requirements of the Commonwealth. In terms of the actual wording and scope, I would imagine there is some degree of variation, but I cannot specifically say without actually examining different classes of contracts.

Senator CROSSIN—So you are not aware then, in your position, that clause 11 would universally apply to all programs that your department funds?

Ms Bean—I am not aware that it does. I am aware that for our administrative programs we use an agreement that was developed in concert with other departments, but it is tailored to the needs of our department, unlike the PFA, for Indigenous funds, where an identical agreement is used across departments. But they are not necessarily identical.

Senator CROSSIN—Would you be able to provide me then with a list of organisations that you fund under this agreement that would have this specific clause in it that I am referring to?

Ms Bean—I can certainly—

Senator CROSSIN—Or, perhaps to make it easier, can you tell me how many of those are Indigenous organisations and how many are non-Indigenous organisations?

Ms Bean—That is the point I am making: I do not know that the clause is identical.

Senator CROSSIN—The clause is identical for each Indigenous organisation?

Ms Bean—For the PFA that is used for the Indigenous programs that are administered on a whole-of-government basis and the standard funding agreement that DCITA uses elsewhere.

Senator CROSSIN—Can you have a look at the two IP clauses and provide me with advice?

Ms Bean—We certainly can.

Senator CROSSIN—What I am trying to do is make a comparison here and to establish whether you use the same IP clause across whole of government including DCITA's programs, whether they be Indigenous or non-Indigenous.

Ms Bean—I can certainly provide you with a significant amount of information in relation to our standard agreements. It will be more difficult to provide you with the exact details of every IP clause in every agreement, because obviously there might be individual variations, but they are basically standard.

Senator CROSSIN—I take it then that the IP clause that is in the funding agreements for Indigenous organisations is not the IP clause you use in your general standard agreements across DCITA; is that correct?

Ms Bean—The answer is that I do not know. I have not, for years, looked at the standard funding agreement.

Senator CROSSIN—Can I just ask two more questions: do you actually inform organisations of this condition when they are entering into an agreement with you, the funding agreement?

Ms Bean—All organisations are provided with the terms and conditions, and obviously all organisations have a draft of the funding agreement to consider.

Senator CROSSIN—You do not specifically give them a brief about what clause 11 might mean?

Ms Bean—I do not think so. Obviously discussions happen on agreements. It would not be appropriate for the Commonwealth to give legal advice to someone that we are actually entering into an agreement with, but there are discussions on the agreement as a whole.

Senator CROSSIN—I am assuming quite a number of organisations have not been happy about clause 11, because you have sought to change it once—

Ms Bean—It was changed.

Senator CROSSIN—and it is about to be changed again.

Ms Bean—Further representations have been made.

Senator CROSSIN—Yes, which must signal that people are not particularly happy about it.

Ms Bean—The Arts Law Centre has some issues, and we have received a formal letter from the Arts Law Centre outlining their issues. I am aware of some talk about others still having some residual issues, but I have not seen any actual formal requests for alteration other than the Arts Law Centre one.

Senator CROSSIN—So, just finally, the new 2006-07 guidelines, or the new clauses in the agreements, will not be put out, I am assuming, for public comment; they will just simply appear in the new agreements. Is that correct?

Ms Bean—I am not aware of the process that will be managed by OIPC.

Senator CROSSIN—Thank you.

Senator LUNDY—I would like to ask the department about the national Indigenous languages survey report of 2005. My understanding is that the survey identified that only 18 out of an original estimated 250 Indigenous languages are considered strong and many of the 110 languages still spoken by older people are endangered. This situation is quite grave and requires urgent attention, so my question to the department is: what are the plans to address the recommendations contained in the survey report?

Ms Bean—The report was released last week and essentially it is a benchmark or a map of where things are at, and it does point to some strategies to halt the further loss of language. However, at this stage we are basically working on the response. It is a little too early.

Senator LUNDY—Thank you. I think that probably cancels out my next question which was: have you begun consultations or initiated pilot programs to address the language needs et cetera?

Ms Bean—We do have an Indigenous languages program, and much of the work of that program is in the same direction.

Senator LUNDY—The first recommendation of that survey was Indigenous language programs for early childhood. Is that something that is addressed in your existing programs?

Ms Bean—There are some examples of that, yes. For example, there is a language nest being funded under our program. It is the Shared Vision Aboriginal Corporation in Lismore, which is engaging a local elder to teach Bunjalong language in the Jowan Aboriginal preschool. So there are some activities that are along the lines of what is recommended in the survey.

Senator LUNDY—Could I ask you to take on notice a more comprehensive response about existing programs that relate somehow to the recommendations contained in that survey?

Ms Bean—Yes.

Senator LUNDY—But also as the department does take action to advise the committee. So it is like a question on notice in advance of action.

Ms Bean—It is the department's responsibility to provide advice to government on what the response should be.

Senator LUNDY—Yes. I know where we are heading now. Could you take the question on notice and do what you can, obviously in consultation with the minister. We will revisit it at budget estimates. I would also like to ask some questions about the progress of the resale royalty scheme and the discussion paper on resale royalty rights. My questions primarily went to the minister, and I know Senator Campbell is deeply interested in these issues, so if he could answer, that would be helpful; but, if not, perhaps the department could provide advice as best they can or take the questions on notice.

Ms Bean—This is a responsibility for the Attorney-General's portfolio now.

Senator LUNDY—I know, but I have some questions that relate to the arts portfolio involvement in resale royalty. In particular, I wanted to ask the minister if she was aware of the reference on the most recent discussion paper on resale royalty rights. This copy quoted an Access Economics report which said that DCITA's submission to that discussion paper, or involvement, was 'unhelpful and potentially quite misleading'. I am giving the department basically an opportunity to defend itself with respect to that reference.

Ms Bean—I was not aware of that.

Senator LUNDY—Perhaps you should look it up and take it on notice.

Ms Bean—Yes.

Senator Ian Campbell—Do you want a reference for that? Did you provide a reference for that?

Senator LUNDY—Yes, it was in an Access Economics report, so I will try and find the detail of the specific report.

Ms Williams—Did you have the title of that Access Economics report?

Senator LUNDY—No, I do not have it in my notes, but I will undertake to get it for you so you can defend yourself. The other issue that I wanted to raise with the minister is whether or not the minister had received correspondence from the chairman of JT Campbell and Co., Mr Michael Kroger, declaring his representation of commercial art galleries and/or auction houses in relation to the resale royalty issue. I leave that question on notice for the minister but also ask the department if they have had any representations from Mr Michael Kroger in relation to resale royalties and his representation of commercial art galleries and/or auction houses.

Ms Bean—I personally have not seen anything. I understand there may have been something, but I would have to take it on notice as I certainly do not have details here.

Senator LUNDY—When you say there may have been something?

Ms Bean—There may have been a letter.

Senator LUNDY—Can you take on notice to provide that letter to the—

Senator Ian Campbell—But the question is to the minister, is what you are saying? It is not really for the department?

Senator LUNDY—By virtue of the subject matter, yes. I am presuming the correspondence was to the minister or to the department.

Ms Williams—I do not know. Obviously we cannot just provide a letter if it was a letter to the minister.

Senator LUNDY—I appreciate that. If the letter was to the department, I think you can provide it. If the letter was to the minister, it is on notice to the minister.

Ms Williams—Could we just take it on notice, please?

Senator LUNDY—Thank you. Has Mr Kroger made any representations to officers of the department on this matter—

Ms Bean—I understand the letter was in fact to the minister. I am certainly not aware of any approach to the department.

Senator LUNDY—either by correspondence or in person or—

Ms Bean—Or by telephone?

Senator LUNDY—Or by telephone? Or email? Or fax?

Ms Bean—Or email or fax. Or SMS.

Senator LUNDY—We have covered everything. Is the department doing any research into the resale royalty scheme, notwithstanding the Attorney-General's carriage of this issue?

Ms Bean—No. We have plenty of our own work to do, as far as I am aware, without engaging in another portfolio's work. We do work with them because obviously there are arts policy issues—there are interested arts stakeholders—but in terms of actually doing research, no.

Senator LUNDY—I think we have covered previously the nature of your involvement with the Attorney-General's portfolio, but perhaps if you could just place on the record what that liaison involves.

Ms Bean—Prior to the last election, the Communications, IT and the Arts portfolio and the Attorney-General's portfolio had joint policy responsibility in respect of copyright. With the changes in the administrative arrangements orders following the last election, that responsibility for communications and IT policy moved clearly to the Attorney-General's portfolio. So our relationship now is no different than our relationship with any other portfolio on any other policy issue. We have an interest in certain issues and we will work with other portfolios as necessary and appropriate to advance our policy interests.

Senator LUNDY—I will have a look at the *Hansard* of that answer.

Ms Williams—This is obviously something we are interested in and we do work with them, but they have prime carriage.

Senator LUNDY—I appreciate that. I will place some questions on notice for the Attorney-General's portfolio, and probably some more for you as well, but I do need to move on, now that I have a copy. I have some questions on the UNESCO convention of cultural diversity. You may recall I did ask Minister Kemp some questions about this previously. I refer to a statement made by Minister Kemp at the last round of estimates when in response to a question from me, when I asked him about the portfolio's role in the government's decision to abstain, he replied: 'Did our portfolio have a role? Certainly. Our portfolio really had the carriage of this issue.' My question is, can you confirm that the department had carriage over the decision to abstain from voting on the UNESCO convention on cultural diversity?

Ms Williams—That is a decision for government.

Senator LUNDY—In it being a decision for government, was DCITA charged with the responsibility of collating the advice which informed the decision by the government to abstain?

Ms Williams—We obviously have started advising government on that, but it is a decision for government.

Senator LUNDY—I appreciate that, but—

CHAIR—It is a policy matter I think, Senator Lundy, really.

Senator LUNDY—I understand that, and I know the government's policy—

CHAIR—You cannot go there.

Senator LUNDY—I am trying to find out not what advice was provided but where advice was sought from within the department.

CHAIR—Presumably it came from the department.

Senator LUNDY—I just have confirmation that—

CHAIR—Just do not go probing into the formulation of policy.

Senator LUNDY—I am working very hard not to ask those questions—

CHAIR—You are looking for pathways and I think you are straying very close to the edges.

Senator LUNDY—Just be quiet, please, and I will see if I can make my point.

CHAIR—I might have to rule you out of order, because I do not really think that is a proper question.

Senator LUNDY—My next question is: did the government also take direction or advice—I suppose 'advice' is the correct term—from the Department of Foreign Affairs and Trade or from the officers of the foreign affairs minister and/or trade minister? I am not asking the nature of the advice—

CHAIR—Again, that is the formulation of policy and that is not—

Senator LUNDY—No, I am not asking about the nature of the advice; I am asking whether advice—

CHAIR—It is the formulation of policy.

Senator LUNDY—was received. There is a difference and I understand the difference well.

CHAIR—Not really, Senator Lundy. It is just an area that is outside the—

Senator Ian Campbell—It is entirely appropriate at the foreign affairs estimates, which as I recall are on tomorrow, to say, 'Did you provide advice on this particular UNESCO convention or conference?' I know when I go to conferences or send delegations we quite often confer with Foreign Affairs. It is a hard question, but it is more for the Department of Foreign Affairs.

Senator LUNDY—I am certainly happy to do that, but I also think it is entirely reasonable to ask officers of this department whether they worked with officers of DFAT in preparing that advice.

Senator Ian Campbell—I think it is normal government practice to confer across government where across government consultations are relevant. In coming to a government position, I do not know whether it is particularly relevant as to who is consulted and where. I do not think it is a state secret.

Ms Williams—We obviously work with DFAT, but it is really for them to say whether they advised—

Senator LUNDY—I will pursue that with the DFAT officials. How many DCITA officials attended the convention?

Ms Bean—One.

Senator LUNDY—Who was that?

Ms Bean—Mr Young.

Senator LUNDY—During last Senate estimates, Senator Kemp also said that the Australian government had a number of objections to the convention. If that was the case, is it possible for an explanation to be provided as to why Australia did not just vote against the convention, as opposed to abstaining from it? If this is a question of pure policy, I am happy for that to be taken on notice and presented to the minister, but if there is any information the department is able to provide that has documented Australia's objections, then it would be useful to have that now.

Senator Ian Campbell—I will table the statement at the conference, which describes the Australian position.

Senator LUNDY—I need to move on. I am conscious of time.

CHAIR—Could I just seek some direction from you? We are due to break at quarter to four, Senator Lundy.

Senator LUNDY—I have some final questions that relate to the National Portrait Gallery funding.

CHAIR—That is fine.

Senator Ian Campbell—This question has been answered at the previous estimates—

Senator LUNDY—Yes, I know.

Senator Ian Campbell—and our position has not changed. This is on the UN convention?

Senator LUNDY—Yes.

CHAIR—What do you want to do? Sport? We are starting Heritage, are we not, at five o'clock? We have time to do it. I am just seeking direction.

Senator LUNDY—If it has been tabled before, refer to that, but I am seeking information additional to that. But if you could reference the previous answer in your response to that question on notice, that would be helpful.

Ms Williams—You said you were seeking additional information?

Senator LUNDY—If there is any additional information available.

Ms Williams—If we are able to, if that is not policy.

Senator LUNDY—I have two final issues, the National Portrait Gallery and also some questions about the Cultural Development Program funding. National Portrait Gallery, please come to the table and I will just deal with these questions.

CHAIR—You are not being rushed, but I am just asking where you are going, that is all.

Senator LUNDY—It would be helpful if we had our afternoon break once we conclude the arts portfolio prior to sport.

CHAIR—Yes, I thought that was what you wanted to do.

Senator LUNDY—The 2005-06 budget allocated a total of \$57,423,000 for a Cultural Development Program. These of course include the grants to cultural agencies and support for cultural activities. Can you provide the committee with a breakdown of the \$57 million, including the type and name of organisations and the purposes for which they are funded?

Ms Bean—I do not actually have the chart with me.

Ms Williams—Could you take that on notice?

Ms Bean—Do you want me to take it on notice?

Senator LUNDY—If you could table that after the committee this afternoon, that would be fantastic, if you can find the piece of paper.

Ms Bean—I can certainly give you a broad-brush approach to what is included in that.

Senator LUNDY—No, I would like the detail, but I do not want to have to wait until the next round of estimates for it.

Ms Bean—We will provide it for you as soon as we can.

Senator LUNDY—If you could, that would be excellent. Also, if you could highlight in that table specifically programs or activities that relate to the promotion and the enhancement of Indigenous culture? If there are any in there, just highlight those.

Ms Bean—The only one in there is the money that goes to NAISDA.

Senator LUNDY—Could you draw that out and give a full breakdown on that funding as well. Finally, the National Portrait Gallery. Welcome, Mr Sayers, to the estimates committee. We quite often work out way towards the National Portrait Gallery and never quite have you at the table, so you are particularly welcome. It will be brief. I am interested in the government's announcements to build a new building for the National Portrait Gallery and what seems from media reports to be an increase from the original, as I recall the election commitment, \$52 million up to what has been reported as \$73.6 million. Can you provide an explanation to the committee about that increase of what appears to be over \$20 million?

Ms Williams—This is primarily for the Department of Finance Administration now, Senator Lundy.

Senator LUNDY—Yes, but I figured that the Portrait Gallery—

Ms Williams—They have taken over the building—

Senator LUNDY—would know what was going on.

Ms Williams—I just thought it important to say that Finance are actually undertaking the building of the project, even though we are advising.

Senator LUNDY—Thank you. Are you in a position to answer the question?

Mr Lyons—I can probably give a general answer to that question. There was an announcement on 7 November 2005 by the Parliamentary Secretary to the Minister for

Finance Administration or the then parliamentary secretary, the Hon. Dr Sharman Stone. The government agreed to provide an additional \$23.14 million in capital funding. The total budget is \$73.6 million and she announced that was primarily to cover price escalation and additional costs associated with the planning and heritage requirements. Provision was also made for a multipurpose function room and increased car parking. Those last two components relate actually to the functionality of the building itself.

Senator LUNDY—Could you provide a breakdown of that additional funding and how the total overall amount now will be broken up across the out years?

Mr Lyons—That question will need to be directed to the department of finance, which is responsible for the construction of the building and for the budgeting—

Senator LUNDY—You are not aware of those figures?

Mr Lyons—and the appropriation. I do not have those figures with me, and they are really more appropriately addressed to that department.

Senator LUNDY—Mr Sayers, are you able to shed any light?

Mr Sayers—No, I do not have any more details.

Senator LUNDY—It is a mystery. We will have to ask DOFA. Mr Sayers, can you tell me what the anticipated transition arrangement is for the National Portrait Gallery during construction, particularly for the annexe? Will both those facilities be in full operation until the actual opening of the new facility?

Mr Sayers—Yes. The National Portrait Gallery will run a program of exhibitions and continue to display its permanent collection and store its collection in Old Parliament House until close to the opening of the new building. The gallery will continue to operate an exhibition program in the space on the edge of the lake at Commonwealth Place. The Commonwealth Place space is currently governed under an MOU with the National Capital Authority, the owner of that building, and we expect to have an exhibition program running until some months out from the opening of the new building. We have not got an exact timetable for that at this point, but clearly installing a new display in the new building is going to take some months. The exhibition program we want to continue for as long as possible in both Old Parliament House and Commonwealth Place, but we do not have a precise transition arrangement at this point because we do not have a precise timetable, and that is something that is being developed by the project manager of the Department of Finance and Administration.

Senator LUNDY— Congratulations on the Clifton Pugh exhibition. How have the numbers been?

Mr Sayers—The numbers have been very strong. The Clifton Pugh exhibition I think has not only been very interesting to people in terms of its picture on recent Australian cultural and political history, but it has also had the rather happy effect of encouraging more people to join our circle of friends. I think it is the sort of exhibition that we will continue to focus on in the future to look at Australia's significant portrait artists and their contribution.

Senator LUNDY—What strategies do you have to leverage the investment into the capital costs of the new gallery to seek more private supporters of the National Portrait Gallery?

Mr Sayers—The gallery to date has been very successful in attracting private supporters. The board of the portrait gallery is very energetic in that role, and clearly the greater visibility of the gallery and its greater capacity to show larger numbers of works in the collection are going to result in further gifts. The collection to date has been substantially gift or purchases with donated funds and we expect that to continue. I think as the building starts to develop as a visible entity, the possibilities will exist for us to really capitalise on the sense of anticipation, but at this point the building is a design concept which we are developing, so there will be time for us to really ramp that up.

Senator LUNDY—Thank you for that. That is all I have for the Arts portfolio. I will place further questions on notice. Actually, before you go, just a quick question about the national review of school music education. I understand this was with Minister Nelson before he changed portfolios, but can you just advise the committee to what extent DCITA is involved in the national review of music education and subsequent activity?

Ms Bean—There was, I suppose you would call it, a steering committee or a reference committee or something of different departmental people that we were represented on in the course of the review and I would have to take it on notice as far as our involvement goes because my colleague seems to have gone.

Senator LUNDY—The question I am particularly interested in is whether a date had been set for the proposed national music education summit, so if you could take that on notice.

Ms Bean—Yes.

Senator LUNDY—Details of venue, stakeholders that will be issued invitations and what involvement, if any, you will have.

Ms Bean—I think that is actually being organised by—

Senator LUNDY—Yes, I suspect so, but if there is any involvement if you could advise the committee, and the nature of that involvement. Thank you.

CHAIR—Thank you very much. At that point we will break for afternoon tea for 15 minutes. Be back here at 4 pm and we will move on to the Sports portfolio.

Proceedings suspended from 3.44 pm to 3.57 pm

CHAIR—We are ready to resume even though it is still a minute early but we will proceed in the interests of catching up two minutes. So I welcome the officers from the sports sector here this afternoon and we will now proceed to outcome 2 and then 2.1. So who is going to lead off?

Senator LUNDY—Me, of course. The first thing I would like to note, whilst Senator Kemp went to some lengths to provide an explanation to the committee about his absence, which was understood given his presence at the Winter Olympics, the committee did not receive any such notification from the head of the Australian Sports Commission, Mr Mark Peters, and I want to place on the record my disappointment and concern that he did not bother to formally inform the committee of his lack of attendance, particularly in the context that in recent evidence, whether it was from Mr Balding or other officers, a strong point has been made by this committee with respect to absences of senior public servants at senate

estimates. So I would ask the committee that we make a note of this and write to Mr Peters expressing our concern.

Ms Williams—Senator Lundy, it might be because Mr Peters was not actually originally going to the Winter Olympics. He had to fill in at the last moment, so that may have been the issue of why he did not actually advise you.

Senator RONALDSON—Mr Chairman, if Senator Lundy is suggesting, as I think she is, that Mr Peters should have taken the courtesy of writing to the committee and explaining his absence, I would certainly support it. I think it would have been an appropriate course of action to be taken.

CHAIR—I think, as Ms Williams has said, I am sure Mr Peters fully intended to be here, but he is obviously at the Winter Olympics. If he was involved in going there late, I can understand that this might have slipped his attention.

Senator LUNDY—I am sure it would not have slipped his attention. I think it is a question of his priority on whether or not he could be bothered informing the committee.

Senator RONALDSON—I am certainly not supporting that point of view. I can understand fully why Mr Peters is there. I think the appropriate thing to do would have been for Mr Peters to write to the committee and say, ‘I will not be in attendance because I am attending the winter games,’ and I would have been quite—

Senator LUNDY—Well, that would have been courteous.

CHAIR—If I might finish, a decision to write a letter to Mr Peters is actually a committee decision.

Senator LUNDY—I will take it up in a private meeting.

CHAIR—It needs it to be taken up in a private meeting on the next occasion the committee meets as such. I think we can note that it is regrettable that he is not here, but we can also express some understanding of the reasons, because I am sure that Mr Peters, were he in Canberra, would certainly be in attendance.

Senator RONALDSON—I have no doubt about that.

CHAIR—So I do not think we should exaggerate the issue to any great degree. So that is my view about it. We will put this on the agenda for the next meeting of the committee, and I suggest we now proceed.

Senator LUNDY—Thank you, Chair. I note that in the portfolio additional estimates statements of 2005-06, they contain a revised estimate of the Commonwealth contribution to the 2006 Commonwealth Games. The original 2005-06 estimate was for \$62.9 million from this portfolio, and that has been revised upwards to \$72.9 million. Can the department just provide an explanation of that variation and what it is going to be spent on?

Mr Isaacs—The government announced that it would be providing an extra \$10 million to contribute to the opening ceremony of the games, and that is what that appropriation is for.

Senator LUNDY—So all of that additional \$10 million will go towards the opening ceremony?

Mr Isaacs—That is correct.

Senator LUNDY—Are you able to advise the committee of a further breakdown of that? Is it any specific aspect of the opening ceremony?

Mr Isaacs—I think Mr Walker is keeping the details of the opening ceremony extremely close and extremely confidential, and I personally and the department have not been privy to those details. I can reiterate that the \$10 million is being provided for the opening ceremony. I just could not go into details of specific things that will be provided for. I simply do not know.

Senator LUNDY—This does relate to questions I have in relation to reports of non-payment of performing artists at the opening and closing ceremonies, and I understand that the Media, Entertainment and Arts Alliance have expressed their concern about the non-payment of performance artists. Can you give me an update as to the department's understanding of that situation, given that reports have it that only 140 artists out of the total of some 5,000-plus are actually being paid for their involvement?

Mr Isaacs—We are not aware of those reports and we would not in the normal course be aware of those reports.

Senator RONALDSON—Sorry. Can I just seek clarification? Is the allegation people have not been paid or only that we have a lot of people out of—

Senator LUNDY—No, not that they have not been paid. My understanding is there has been no commitment or agreement to pay them, but it has been raised as a general issue, presumably based on the fact that we know artists in Australia do not earn a lot of money, and this perhaps was an opportunity for them to do so. So I am not alleging non-payment of a commitment.

Senator RONALDSON—Okay.

Senator LUNDY—It is just the general issue about the payment of artists in the opening ceremony.

Senator RONALDSON—Your complaint is that not enough artists will be paid, is that right, as opposed to non-payment?

Senator LUNDY—No. That is correct.

Mr Isaacs—The short answer to that is that we are not aware and we would not be aware, because the issue of payment of our performers would be a matter for the organising committee and not a matter for the department.

Senator LUNDY—Right. So the department has not expressed a view to the organising committee about the payment for these artists. The link I am making is a fairly long bow, but it does relate to issues that we have canvassed many a time at this table about effectively the low incomes of many of Australia's artists and that this may have presented an opportunity. So it is on that basis that I raise it.

Senator RONALDSON—The department is not organising it, are they?

Senator LUNDY—Sorry.

Ms Williams—I think, Senator Lundy, it is just something we would not get involved in. As you know, the organising committee is in charge of this. It is a Victorian event. We

certainly are in charge of the particular things we are funding and we get involved through Mr Isaacs, but we would not be involved in that kind of discussion.

Senator LUNDY—Right. So in terms of the allocation that you are managing with respect to the Commonwealth Games, can you just traverse the primary issues that you are in fact involved in?

Ms Williams—Yes. I will hand over to Mr Isaacs again.

Senator LUNDY—Thank you.

Mr Isaacs—Yes.

Senator LUNDY—I can give you a hand. I think the volunteer program is one. Is that one you are organising?

Mr Isaacs—The Australian government's funding is going towards the opening and closing ceremonies. That is \$50 million. The volunteer program, that is \$19.3 million. The Queen's baton relay, \$15 million. The elite athletes with a disability program, \$10 million. The athlete airfare subsidy scheme, \$6.4 million. The cultural program, \$6 million. The technical officials program, \$2.9 million. We are also providing \$3.3 million to enable the organising committee to purchase services back from the Commonwealth which are provided on a cost-recovered basis, which follows on from the precedent that the government set at the Sydney Olympics when a similar allocation of funds was provided to the then Sydney Olympics organising committee.

Senator LUNDY—In relation to the volunteer program, again based on reports in the newspaper, there has been some large number of resignations from the volunteer program. Whilst I appreciate there is a huge task at hand organising such a large fleet of volunteers, have you been able to put your finger on why there is a high attrition rate and, specifically, could it relate to the 12-hour shifts that volunteers are being asked to work which, I understand, is substantially longer, for example, than the volunteers were required to commit to at the Sydney Olympics?

Mr Isaacs—Again, I need to emphasise that the department itself is not responsible for the operation and management of the volunteer program. We have provided funding, as I have noted, for the volunteer program. According to press reports that I have seen from the corporation, I am aware that in recent months approximately 1,500 people, which I understand amounts to about 10 per cent of the volunteer workforce, have 'attrited', as it were, if I can use that expression—

Senator LUNDY—Is there such a word?

Mr Isaacs—I am not sure whether there is such a word—have left the volunteer workforce in recent months.

Senator RONALDSON—A number of the members of this committee have 'attrited' over the last 36 months, too.

Senator LUNDY—There were a lot more here last night, I know that much.

Mr Isaacs—I am told—I have indeed read in the same press comments by the corporation—that this is a normal expectation for events of this nature. In fact, I have seen

public comments from the corporation suggesting that, by comparison with the Sydney Olympics, this is in fact a lower attrition rate. I do understand, also from the same press reports, that there are lots of people in reserve that the corporation has on their books to fill the breach.

Senator LUNDY—I am sure they have. In terms of all those programs that the Commonwealth is funding through this portfolio, have you attached any conditions to the expenditure of those funds or has it really been a case of the organising committee defining its purpose and handing over the money?

Mr Isaacs—We expect an outcome for the provision of the funds, so in the case of the Queen's baton relay, where we provided \$15 million, we expected an outcome of a Queen's baton relay that goes through every country and territory of the Commonwealth and goes through a domestic route. We were aware in the broadest terms of what was envisaged under each of these projects and what, in effect, the Commonwealth funding would be paying for, but the details of how those various elements are going to be delivered, I think, are very properly a matter for the organising committee. The organising committee has been keeping in touch with us as those various programs have been iterating out.

Senator LUNDY—In that relationship that the department has with the organising committee, are the Commonwealth's expectations and outcomes written down or codified in a contractual arrangement or perhaps a memorandum?

Mr Isaacs—There was a funding agreement for the initial payment of the Commonwealth's \$40 million in 2003-04, and a further funding agreement is on the cusp of completion for the payment of the additional \$72.9 million due to be paid by the Commonwealth before the games start.

Senator LUNDY—Can you provide that to the committee?

Mr Isaacs—I will take that on notice if I can. There may be certain parts of the funding agreement where we have agreed with the corporation on conditions of release, so I would just like to work through those. I will take that on notice, if I can.

Senator LUNDY—Can I urge you to pay special heed to the limited basis upon which you can claim any commercial in confidence and that such information would be, I think, duly eligible to move into the public domain through this committee?

Mr Isaacs—I understand, and we will have a look at those funding agreements on that basis.

Senator LUNDY—I would like to ask some questions now to ASADA, and in fact specifically whether or not the additional funding to ASADA to facilitate the move is transitional funding for the next four years, or is that funding the next level of operational funding that is anticipated for the operations of ASADA with its new responsibilities. I am just trying to discern whether that additional funding is more transitional in nature or really underpinning your new role and, therefore, operational?

Mr Ings—The current funding is transitional, but there are elements of the funding which form part of our ongoing operating funding for future years.

Senator LUNDY—Are you able to put a figure to what is notionally transitional and what is notionally operational?

Mr Ings—Given that level of detail, can I take that question on notice and refer it back to the committee?

Senator LUNDY—Certainly. That is fine. Has the department redirected any funding from the ASC to the new ASADA to facilitate the new functions of that organisation as that role is removed from the Australian Sports Commission? Has there been any transfer from the Australian Sports Commission's allocation to ASADA? I am more interested in whether there is anything negative on the ledger at the Australian Sports Commission as a result of these new powers going into ASADA.

Mr Lyons—No.

Senator LUNDY—No. Will there be any savings in the Australian Sports Commission as a result of this change? That is why we have you all at the table at the same time. If so, where will that funding or those resources be directed in the future?

Mr Espeland—We are not anticipating any savings out of this process. We are intending to work at the invitation of ASADA in partnership with it to ensure that we continue to fight against doping in sport. Clearly, the peak body now will be ASADA. Mr Ings has indicated his desire to work in partnership with us.

Senator LUNDY—Previously, we have canvassed at some length the various roles that the Australian Sports Commission has played in various investigations. Are you saying that, given that role largely will not be the province of the Australian Sports Commission, that really will not affect your bottom line; you will just use it somewhere else?

Mr Espeland—A lot of the investigations in the past have been funded out of our corporate contingency, rather than in program money.

Senator LUNDY—Mr Ings, I thought estimates presented a useful opportunity for you to place on the public record the transitional arrangements for the anti-doping regime in relation to the formation of ASADA in the context of the Commonwealth Games. I know that the bill outlining these transitions is between two houses at the moment and it is yet to be considered by the upper house, so we will yet have an opportunity to discuss it in that place. Could you, just for the record, outline the transition as it is currently proposed?

Mr Ings—Yes, I certainly can. Of course, the time line for the transition is being set by the government, and ASDA in cooperation with the department and with help from the Sports Commission are working very actively at the moment to fulfil and develop all the obligations of the future ASADA regulations and legislation. Once the time line has been established, we believe we can launch ASADA with all of the new functions in place with an appropriate new organisational structure that reflects on some of the input to the Senate committee regarding the legislation about the issue of judge, jury and executioner—particularly the review committee concept to provide that check and balance internally. At this stage, we have no fear or disbelief that we can put all those measures in place in time to launch a site on the time line as determined by the government.

Senator LUNDY—I know one of the issues discussed in the Senate inquiry into this bill was the fact that the bill will pass, presumably, the parliament and that will create the new entity, but for the purposes of the Commonwealth Games not the whole transition to the complete new environment will have been able to have been made. Or are you saying that that still might be possible?

Mr Ings—At this stage, again, depending on the time line set by government, we believe we can get the full functions up and running, pending approval, obviously, of the legislation and the support of—

Senator LUNDY—It is difficult to discuss this without it having been through both houses of parliament at this point. I am really asking the questions on the basis of—

CHAIR—It is just speculation.

Senator LUNDY—It is speculation?

CHAIR—It is not really valid, because you cannot ask officers to speculate. We should really get back to an estimates kind of topic.

Senator LUNDY—Let me ask it this way: will ASDA be ready for full implementation of the new arrangements under the bill, if that is the government's chosen time line, for the Commonwealth Games?

Mr Ings—Yes, indeed we will. That is our goal and that is our intention.

Senator LUNDY—That is what I thought.

Senator RONALDSON—That was clearly articulated at the inquiry, Mr Ings, from my recollection.

Mr Ings—That is correct.

Senator LUNDY—You mentioned in your comments the organisational structure of ASADA. That is obviously a big internal administrative challenge. What is the status of that work to date and has that been communicated to staff?

Mr Ings—It is progressing very well. Again, just to backtrack for a minute, the role of ASDA was in providing a deterrence in terms of education and also testing services. With ASADA we will be expanding to take on investigations and prosecutions. This is a significant expansion of the duties of ASADA and, therefore, we need to build that capability and ensure that we have an organisational structure and supporting systems that ensure that we just do not have a few chairs in the corner for investigators and prosecutors, but everything is dovetailed together nicely to achieve the outcomes that we are trying to achieve. As a result, there has been a lot of work in working through a strategic plan focusing on ASADA and the things that we need to deliver for ASADA going forward. That includes an organisational structure and recruitment of key roles.

Staff have been heavily consulted during this process. In fact, every two weeks, effectively, there has been communication going out to staff with updates of the progress, of the change in management, strategic plan and the organisational structure. I can inform the committee that, as of last week, the organisational structure was floated and presented to staff so they have full feedback on the direction we are having, the new roles we are looking to recruit and any

changed management issues that we are looking to implement over the next few weeks pending the start of ASADA.

Senator LUNDY—Can you provide the committee with a copy of that structure?

Mr Ings—Yes, I will be able to provide you with a copy of that structure.

Senator LUNDY—As it currently is. You mentioned providing that to staff. What mechanisms have you got to get feedback from staff about that organisational structure?

Mr Ings—The staff have actually been included in this process from the very beginning. It is difficult to impossible to launch a strategic plan for an agency without having buy-in from staff from the very beginning. This process actually began in late November with focus groups with staff, and particularly surveys of staff, to understand any issues or concerns or opportunities that we need to reflect on, and then meet with them every two weeks to consult with them and get feedback and input as we refine the plan and as we refine the structure going forward.

Senator LUNDY—Will all staff be offered their current jobs with no loss of remuneration?

Mr Ings—At this stage, we are at the point of actually going into every individual role and working out where there are any issues that impact on individual staff. I cannot confirm at this stage that there will be none, but over the next two weeks we will be looking to see where there are impacts and, if there are, what things we need to do to minimise or address those impacts.

Senator LUNDY—I would have thought, given the rush and the fact that your role is expanding as opposed to changing, that you ought to be in the position to give that guarantee.

Senator RONALDSON—I do not think Mr Ings can speculate on the outcome of a process currently being undertaken.

Senator LUNDY—Have you offered staff a guarantee to maintain at least their remuneration levels through this transition?

Mr Ings—Again, we are still working through the process of looking at all the roles and where and if there are any individual change management issues. However, we have not completed that process as yet.

Senator LUNDY—My recollection from the inquiry was that the plan was to carry over the existing certified agreement; is that correct?

Mr Ings—We are just about to put in place a new certified agreement that we have been negotiating with staff, and it is with consultation with staff at the moment for their vote.

Senator LUNDY—But you will be proceeding with a certified agreement as opposed to AWAs?

Mr Ings—Yes, a certified agreement has been negotiated and it is with staff for consultation at this exact point in time.

Senator LUNDY—Is it your preference to proceed with that?

Mr Ings—My preference is to meet the needs of staff. The staff have made it clear that they wish to pursue an AWA. Some staff have—

Senator RONALDSON—Good try, Senator Lundy, but I do not think this is a matter for this Senate estimates committee.

Senator LUNDY—Will you be offering any staff redundancy packages through this process?

Mr Ings—Again, we are not at the point of actually pinning down where there are impacts for individual staff, but we hope to be able to go through and finalise any details and understand if—if, I should say—there are any impacts over the coming weeks.

Senator LUNDY—Have you advertised the redundancy policy amongst staff or hinted at the fact there may be redundancies in any way?

Mr Ings—We do have a standard policy. We have a number of standard policies, which includes selection, recruitment and redundancy as part of our standard portfolio of policies within the agency.

Senator LUNDY—Have you employed any consultants in the last six or 12 months?

Mr Ings—Yes, we have.

Senator LUNDY—What for, for how much and who?

Mr Ings—In terms of the costings, I will have to take that question on notice. But it is important to keep in mind that with the move to ASADA we are developing functions for which ASADA has no previous skill set internally. We have never been involved in doing prosecutions, we have never been involved in doing investigations so in order to develop and complete those requirements internally, we have reached out extensively to experts in those areas to help us develop the skill sets that we need.

Senator LUNDY—So the consultants are?

Mr Ings—Again, could I take that on notice so I can get you the exact details?

Senator LUNDY—Sorry, I thought you just said you would take the costs on notice.

Mr Ings—Yes, I will get the costs and also the individual consultants—

Senator LUNDY—I take it from your answer that the consultant or consultants relate to developing those new roles within ASADA?

Mr Ings—Yes, there are consultants relating to the implementation of IT platforms, there are consultants relating to the implementation of our new strategic plan, to do with developing our investigative functions and to deal with our enforcement and prosecution functions, amongst others. But I can get the details and take that question on notice.

Senator LUNDY—If you could take all of those details on notice.

Senator RONALDSON—Mr Chairman, this is perhaps a precursor to a couple of very brief questions I have. What was Australia's role in the development of the UNESCO convention?

Mr Isaacs—Australia played a leading role in the drafting committees for that convention. I was personally involved in a major drafting session representing the department at a conference that would have taken place early in 2005. Australia, as you know, has been one of the first countries to ratify the UNESCO convention. We were amongst the first six to ratify.

We did take a very leading role. We encouraged countries through our membership of the World Anti-Doping Agency Foundation Board and Executive Committee to come along with the convention process, and we rolled up our sleeves and participated to a very large extent in its drafting.

Senator RONALDSON—Something of which you would be quite proud, I imagine, Mr Isaacs? We have taken a leading role, and I think we should be proud of it.

Mr Isaacs—We have indeed taken a leading role.

Senator RONALDSON—That is terrific. Can someone please provide me with an update on drug testing and education in relation to the forthcoming Commonwealth Games, and particularly any comments about a pre-Games testing regime?

Mr Ings—I can provide some information. Again, the government has committed for pre-games testing of athletes who are coming to Melbourne to compete in the Commonwealth Games. That is a funding allocation for approximately 300 out-of-competition tests. That program is well in place and well underway and progressing towards its target. During the games itself, there is an agreement in place with the organisers of the Commonwealth Games for in excess of 1,000 in-competition tests to be conducted during the Games. The planning for that is significant, as you would understand, for an agency such as ASDA. We are committing a significant amount of resource and a significant amount of staff and I can report to the committee that it is progressing well. We are getting good feedback from the organisers and we believe that that drug testing program will be world-class and in place to achieve its goals during the Commonwealth Games.

Senator RONALDSON—So despite the transfer from ASDA to ASADA, I gather it has been business as usual, has it, from what you are saying?

Mr Ings—It has been tough business as usual. There is a lot going on, but we are achieving our outcomes as we need to achieve.

Senator RONALDSON—I understand that through the budget you have received an additional \$2.5 million for a range of anti-doping initiatives—that was a 2004 election commitment—can you please advise us the progress you are making in relation to implementing these initiatives?

Mr Ings—Yes. ASDA has been provided with additional funding of \$2.5 million, as you pointed out, in 2005-06. The funding is being used for an increase in the testing program, including an additional 800 government-funded tests. There is also an educational initiative which includes a DVD for distribution to various national sporting federations and athletes, an enhanced website and the building and completion of an online medication database for athletes. There is also a comprehensive athlete whereabouts system which we are building at the moment for athletes to provide their whereabouts to facilitate no-notice, out-of-competition testing. Finally, we have co-compliant testing, results management and analytical functions to complete our mandate and our mission.

CHAIR—Will your program include random testing?

Mr Ings—Our program does include random testing, but as per the wider code, the preference is for targeted testing.

Senator RONALDSON—I hope that, despite all your endeavours, you fail over the Commonwealth Games to the extent that they are a clean games. I think that would be a great outcome for 2006. Good luck to you and your organisation.

Mr Ings—Thank you.

CHAIR—Senator Lundy has more questions.

Senator LUNDY—Thank you. I do, and I would like to turn to the Active After-school Communities program,, but first in the context of the Australian Sports Commission, or indeed the department's involvement in the development of the Get Moving campaign which is funded to the tune of \$6 million through Minister Abbott's portfolio, is there a link with the activities of this department and active after-schools?

Mr Espeland—Yes, there is. The Get Moving campaign is part of the overall government campaign of backing a healthy, active Australia. The key program within that is the sport commission's AAC program, the Active After-school Community. We worked with the Department of Health for a launch of the Get Moving campaign, which I think was on 3 February in Sydney. One of our board member, Kieran Perkins, was involved in that process. So yes, we are looking to work in partnership with our colleagues in the other portfolios to deliver the whole of the government policy.

Senator LUNDY—I appreciate there is a link in the over-arching policy, but more at the operational level it seems to me than the Get Moving program is—and I have reflected, I think, on this program as being quite superficial in that it does not actually target young people, whereas your program does. So how does your program work at an operational level with an advertising campaign? Do you have a 1800 number for people to ring up when they see the advertising campaign so you can feed them into after-school sport or something like that? Do you see what I mean: not just the policy link, but the operational link between the two initiatives? I would expect that there would be something practical there.

Mr Espeland—Certainly, we do advertise comprehensively through each of the schools and OSHCs the availability of the program for schools and OSHC communities to apply for a grant. We would expect that activities such as the promotional activities you are talking about would engender that, but certainly the opportunities in terms of applying for the grant and being aware of the grant are universal. We work very hard to make sure that people are aware of the program and that they can access it.

Senator LUNDY—I know you have been promoting active after-schools, but I am trying to ascertain whether there is an operational link between the Get Moving advertising campaign, the \$6 million of government advertising, and your campaign. For example, do the ads say, 'Ring the Sports Commission for information about Active After-schools,' or does your advertising campaign make the connection with and refer to the Get Moving advertising campaign? Can you point to any evidence that there is an operational link between the two parts of this government policy? If not, why not?

Mr Espeland—The operational links occur not so much from an advertising point of view, but I suppose at two levels. First of all, the AASC program has a national health advisory committee that has representatives from education, from health and from school principals, and they are always looking for opportunities to leverage the various programs off each other.

It is also the case that a lot of the materials that are being used in the Get Moving and similar campaigns are coming from us. We have done that investment and obviously we are looking for opportunities for the other portfolios to leverage off that. But in terms of advertising, that advertising is, as you say, a promotional campaign, but in terms of the understanding out there in the community of the availability of this program, I think that we have worked hard and that is very much the case.

Senator LUNDY—Can I make the comment that there could have been an opportunity to further promote active after-schools if that had been referenced in the advertising campaign? Why has that not been done?

Mr Espeland—Well, it has not been done in that, because that is the fact of the matter. We can certainly take that on board and look at it through our advisory committee. But the advertising campaign for Get Moving is a health campaign.

Senator LUNDY—I am not here to give you policy advice, Mr Espeland, I am here to question why I think the obvious thing was not done. It certainly gives an impression that there are less than effective links between portfolios with respect to the government's efforts on these policies.

Mr Espeland—As I said, our advisory committee is very much at the operational level. We look for opportunities to establish those links. We do provide resources. We are confident that in terms of promotion of our program, it is universally understood that it is available.

Senator LUNDY—Has the sport portfolio, or the sports commission specifically, received any additional funding from the health portfolio to increase demand for places in the AASC programs?

Mr Espeland—We are just in the process of rolling out an agreement that we have development with the Department of Health and Ageing under their Building Healthy Communities in Remote Australia program for funding to provide a dedicated regional coordinator for a group of Indigenous communities in the Yamijerra Community Government Council, which is north of Alice Springs. That regional coordinator will be a member of the community. This is a very difficult area to deliver services to—to deliver the program to—so this increased funding to provide for this dedicated regional coordinator to have that reach is very welcome.

Senator LUNDY—So that is from the health portfolio?

Mr Espeland—Yes.

Senator LUNDY—It will be effectively a similar position to the existing regional coordination?

Mr Espeland—It will fit into our overall model and just obviously have a particular target outcome in terms of this particular community.

Ms Williams—I think this program is going exceptionally well. I would not want you to think that because it was not being advertised it was not moving, because it is really being extremely successful. I think Mr Espeland could perhaps support that, that it is in fact going extremely well.

Senator LUNDY—I am about to embark upon a series of questions to ascertain its wellness, but thank you for that advertisement, Ms Williams. Can you take on notice if there is any other cross-portfolio or funding provided by other portfolios that would assist the promotion of the AASC programs or to increase demand?

Mr Espeland—Certainly.

Senator LUNDY—In answers to questions on notice the Sports Commission states that there are some 5,659 registered deliverers of the Active After-school Communities program. Can you confirm that the answer given to question 306 is that some 1,078 schools and/or providers have already missed out on funding through the AASC program?

Mr Espeland—What I can say is that approximately 7,000 deliverers have so far completed the community coach training program, and those deliverers include teachers, the—

Senator LUNDY—So that figure of 5,659 has now gone up to 7,000?

Mr Espeland—Yes, 7,000. The deliverers include teachers, OSHC staff, secondary and tertiary students, local club personnel and also private providers. The support for the program has been overwhelming and in the last term of last year the roll-out figure reached 1,412 schools and OSHCs and a further 882 schools and OSHCs will participate in the program during this calendar year, and we are still on target to reach our 3,250 schools and OSHCs to be participating by term 3 of 2007.

Senator LUNDY—Just going back to my question then, one of the issues that I know has cropped up for you is that there is demand that supersedes what the program is able to provide at this point in time, so I am just trying to focus on how the program has not been able to service that demand; that is, who has missed out. Are you able to confirm the fact that a number of schools wanted to participate but have not been able to because the annual allocation for the program just does not make room for them? It is not enough. Which I have to say, Ms Williams, is an endorsement of your point which is that there is high demand for this program. My point is that the program is not servicing that demand adequately.

Mr Espeland—We have currently got 986 schools that are on the books but unable to be incorporated into the program at this point.

Senator LUNDY—So that figure has changed from 1,078 as referenced in the—

Mr Espeland—These figures move all the time.

Senator LUNDY—No, I appreciate that. I am just making sure I have got up-to-date figures. Do you know how many students within those schools have therefore not been able to participate in the program to date?

Mr Espeland—It is a bit hard to provide an estimate of that. Until we actually set up a program we do not know, because it is based on what the community needs. It is really the number of sessions, the number of schoolchildren that would like to be involved. So until we actually take the grant and set the program up, we really do not know what the potential exposure would be in any one site.

Senator LUNDY—I think that is a reasonable point to make, but I go back to my earlier questions, given the \$6 million investment in Get Moving, and that being obviously designed

to help create a demand for getting active amongst schoolchildren, that that \$6 million may have been better spent in funding your program and facilitating access by that 986 schools that have currently missed out. That is obviously a comment I would have liked to have directed at the minister, and perhaps I could phrase that in the form of a question and put it to the minister, because it is a matter of policy after all.

Mr Espeland—Absolutely. It is not for me or others in my position to comment. I can just say what I said before, that this is an overwhelmingly successful program. We are in the process of starting to get the hard research in. We have not quite got it yet but certainly the early signs and the anecdotal feedback have been extremely positive.

Senator LUNDY—Can you tell me what the average number of students is per program?

Mr Espeland—The average would be around 50, and that is based on two sessions a week.

Senator LUNDY—So that is 50; that is not 25 each day. It would be the same kids participating?

Mr Espeland—Maybe, but it is 50 per session.

Senator LUNDY—Fifty spots.

Mr Espeland—Yes, 50 spots.

Senator LUNDY—Do you have any figures on whether or not the same kids are taking up those opportunities twice a week? I know, for example, that quite often the two programs offered are different sports, so it is not necessarily the case that it is the same children taking up both of them.

Mr Espeland—That is right. One of the strengths of the program is the choice offered. One of the very popular ones is actually not a sport per se, but dance.

Senator LUNDY—Indeed. Are you keeping figures on the overlap with participants between the two days in each given program for the purposes of record keeping and policy analysis?

Mr Espeland—To the extent we can, because there are some privacy issues here, but to the extent we can we are looking at having the opportunity to analyse what you might call that variation.

Senator LUNDY—Obviously you would not need the names of the students to know whether the same children were taking up the opportunity both days. I should also say that, having a child involved in an after-school program where this is being offered, I note that there are quite comprehensive permission forms required for participation. Surely that would give you at least a basis for some non-identifiable data to be collated.

Mr Espeland—Certainly this research, as I say, is just coming through. When it is available we will certainly be making it available in a public sense. It is important. We have spent a lot of time, effort and money in establishing the base line and we are now in a position to start getting some returns in terms of what the outcomes have been. We have still got some way to go. This program roll-out is not hitting its 3,250 until the middle of next year and it is obviously looking to take it out to roughly 150,000 children in that process.

Senator LUNDY—Sorry. Can you say that again?

Mr Espeland—Through the 3,250 schools it should provide us with a coverage of in excess of 150,000.

Senator LUNDY—On my calculations the fact that 986 schools are missing out with the average of 50 or so students, that is close to 50,000 students that you are currently not servicing. How do you plan to service that demand, given you already know your budget projections for this program?

Mr Espeland—As I say, the program is overwhelmingly successful. We stay engaged with each of the schools that are interested. It is not a question of just them ringing up and saying, ‘Look, we cannot fit you in at the moment.’ We stay engaged with them; we work with them. In some cases their inability to access the program might be due to difficulties in terms of deliverers getting to the sites, and we work in innovative ways to train up deliverers who actually reside in the community so they can actually deliver the program in-house, so to speak. So we constantly try to provide access to all of those schools that are interested.

Senator LUNDY—Have you got any plans to seek further funding from the government to service this demand?

Senator Ian Campbell—That is a question just related to the budget process.

Senator LUNDY—I am not asking—

Senator Ian Campbell—I would be very surprised if each department in the whole of the government does not have some sort of plan to seek some more money out of the budget process.

Senator LUNDY—Yes.

Senator Ian Campbell—We are just starting the budget process, so I think you need to wait till May, whatever the date in May is.

Senator LUNDY—No. I appreciate that. Minister, the issue with this program is that it was announced as a program per se with a finite envelope of funding around it over a period of I think four years, so the question is: is that going to stick or is there some scope for the program to be expanded to service the demand? That is really my question.

Ms Williams—As you know, Senator Lundy, when these programs get close to finalisation they are all reviewed and that is reviewed in the budget context.

Senator LUNDY—Speaking of reviews, the Sports Commission has indicated in answers to questions on notice that the results of the final evaluation plan of the AASC program would report to the ASC at the end of January 2006. Is the ASC now in a position to outline the findings of that and provide a copy of that evaluation to the committee?

Mr Espeland—No. As I indicated before, it is imminent but it is not yet available.

Senator LUNDY—It is running a bit behind time.

Mr Espeland—Yes. We have had some further discussions with our consultants and we are requiring them to do some further work. We want to make sure that there is no question or concern about any of the veracity of the information. This has caused a delay but, as I said, it is imminent within the next few weeks.

Senator LUNDY—I look forward to receiving that. Is the ASC or the department aware of any complaints from participating organisations delivering the AASC programs about a shortfall of funding for the actual running of the program? For example, have any organisations sought to have their grants increased, and what are the implications for the overall spread of the program as a result of that?

Mr Espeland—In addition to the actual mainstream grants process, there is also a separate subprogram called Special Initiatives. Those schools that find it difficult for particular reasons can basically go beyond the normal amount of funding that is available to access the Special Initiatives grant, which will then make it happen. Schools are very much aware of that. They take up that opportunity as they need to. There was one school in Tasmania, which touches on the point I made before, that was initially not able to have the program because deliverers had to travel huge distances and it just was not an attractive proposition from a delivery point of view. The fix was to basically train the people in the local community to deliver it in house. There was a slight delay in terms of their gaining access to the program, but we worked around it and eventually they did.

Senator LUNDY—In the conduct of pilot programs was it found to be the case with any examples that the programs could not be delivered within the cost that was originally allocated? I have just heard of one example of that occurring, and my understanding is it was resolved by more funding being allocated. My question is: is this widespread?

Mr Espeland—I am not sure what you mean when you say ‘pilot program’.

Senator LUNDY—My understanding is that when perhaps the initial exercise in providing it was evaluated, it was found that the program could not be delivered for the costs anticipated originally.

Mr Espeland—This was—

Senator LUNDY—I am trying to ask the question in the general rather than the specific because I think there is no problem now. I am concerned that, if each program costs a percentage more than originally anticipated, your projections about the spread of this program will be that much more limited.

Senator RONALDSON—That is a very big question.

Senator LUNDY—I am just giving Mr Espeland the opportunity.

Senator RONALDSON—It is speculation and I do not think it will advance us in the discussion.

Senator LUNDY—He either knows what I am talking about or he does not.

Senator RONALDSON—I am listening to it.

Senator LUNDY—I will listen to his answer.

Mr Espeland—If by ‘pilots’ you are referring to some of the programs that we had in place that were of a pilot sort of fashion and nature before this initiative was announced by the government and we started to roll it out, those pilots—and we had a range of partners—are on a much smaller scale. It gave us the opportunity to look at various models, and from that derive a model that we could see would be the most effective and have the greatest reach.

We have used our experience in the past from those pilots that were in place before this major program came along.

Senator LUNDY—Do you have a set rate for the provision of programs to schools that delivery organisations refer to?

Mr Espeland—There is a grants schedule. They can access that in terms of what they need. Some of the schools that are now veterans in the program are in a position to use less money because, for example, equipment is still being used that was initially bought when the program first came to that site.

Senator LUNDY—How do you deal with a grants schedule and how do you deal with things like the capital costs of equipment at the start of a program if the school or the after-organisation or the sports organisation just has not got it?

Mr Espeland—They can access moneys through Special Initiatives or for equipment. To my mind, each school and each site is different. In the end, they have all been comfortable with basically the amount of money that has been provided to them to deliver the program.

Senator LUNDY—Are you able to advise the committee how much of that funding has been accessed specifically to purchase capital equipment?

Mr Espeland—We can certainly give those detailed figures, that breakdown.

Senator LUNDY—Perhaps if you could take on notice a full breakdown of expenditure of the program to date, including the delivery organisations and so forth. I am sure you have a big database.

Mr Espeland—Yes, it is all there.

Senator LUNDY—It is all sitting there waiting. Thank you for that. It is very interesting to see how it is progressing. One of the issues with respect to tackling obesity is the fact that this problem affects many adults as well as children. Is the Australian Sports Commission able to point to any program or initiative that you fund that targets improving adult participation or adult nutrition?

Mr Espeland—In terms of participation, all of our participation programs are aimed at the communities as a whole. We certainly have target groups in terms of women, particularly for officiating and administration and coaching. Indigenous communities is also another target area.

Senator LUNDY—No, specifically for reducing obesity as opposed to sport per se and participation in sport.

Mr Espeland—We would identify that participation is both a means and an end. It is obviously a means in terms of elite pathway development, but it is also an end in itself in terms of providing, probably like no other activity does, so many surrogate outcomes that are good for the health of individuals, broadly speaking, and the country.

Senator LUNDY—Indeed it does. With respect to sports facilities funding, I note in the additional estimates for 2005-06 that there is an extra \$16,410,000, bringing the total expenditure on facilities up to \$28 million. Can you provide an explanation of what that additional funding is for?

Mr Lyons—As at 30 June 2005, there was an underspend of \$16.410 million in the sports facilities program. They related to Penrith Stadium, Whitten Oval, Cardinia Park, Kogarah Oval, Ridgehills United Football Club amenities and training block, Devonport/Burnie swimming pools, Bridport Bowls Club and Kingborough Sports Centre. They were basically due to delays by proponents in providing information.

Mr Lyons—We have canvassed that previously in estimates.

Mr Espeland—It is about the carryover of that amount into this financial year so that those projects can be funded this financial year in a proper accountable way.

Senator LUNDY—Surely that would have been dealt with in the carryover in the original additional estimates last year. Why has it only come through now?

Mr Lyons—Where approval has been given by the Minister for Finance and Administration, money has been rephased from 2004-05 into 2005-06 and is reflected in these additional estimates.

Senator LUNDY—Can you take on notice referencing the point in the previous Portfolio Budget Statements where that expenditure was identified and where in the documentation it indicated that it was reabsorbed into consolidated revenue, hence requiring another appropriation?

Mr Lyons—We will take that on notice.

Senator LUNDY—Take that on notice and just show me the trail of the record of how that was funded.

Ms Williams—I do not think it was absorbed into consolidated revenue.

Senator LUNDY—It was not spent, but obviously it was there. It disappeared somewhere.

Ms Williams—We will set out for you—

Senator LUNDY—And it has come back in another appropriation.

Ms Williams—in a bit more detail the rephasing. Sorry, I did not mean to talk at the same time. We will set out for you in a bit more detail the rephasing. Is that what you would like?

Senator LUNDY—Yes. Thank you. How are those projects going?

Mr Lyons—The majority of that \$16.410 million was taken up by three projects, which is the Penrith Stadium upgrade, the Whitten Oval redevelopment and the Cardinia Park redevelopment. \$10 million was rephased in relation to the Penrith Stadium upgrade. \$6.4 million has already spent this financial year. \$2 million of the \$3.825 million that had originally been allocated for Whitten Oval has been expended, and the entire \$2 million for Cardinia Park redevelopment has been paid. Pending the provision of appropriate reports by the proponents, we expect to pay the remaining funding before the end of the financial year. There are only two projects where funding agreements have not been entered into. They relate to Devonport and Burnie swimming pools. We are awaiting information from those applicants before we can finalise the funding agreement.

Senator LUNDY—That is what you said last time.

Senator LUNDY—Some of those do not seem to have progressed.

Mr Lyons—That is still the case.

Senator LUNDY—Is that still the case? You might get to spend all the money that has been allocated.

Mr Lyons—We are expecting advice at least by the end of the March by those proponents, at the latest.

Senator LUNDY—Has the department progressed any research into actually conducting a departmentally run facilities program or is it a case of once all this money has been spent that is it?

Mr Lyons—That is not an issue of the department, that is a matter of government policy.

Senator LUNDY—It is indeed. The minister is not here, so I will ask that that question be placed on notice for the minister. I acknowledge the time. I do have a lot of questions to place on notice, but I would like to thank the committee for the cooperation. I think we are moving on now to the environment portfolio.

CHAIR—I think we will take a 10-minute break for the changeover. I thank the sports groups for being here this afternoon.

Proceedings suspended from 4.58 pm to 5.18 pm

ENVIRONMENT AND HERITAGE PORTFOLIO

In Attendance

Senator Ian Campbell, Minister for the Environment and Heritage

Department of Environment and Heritage

Executive

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

Executive Policy Adviser

Ms Diana Wright, Executive Policy Adviser

Approvals and Wildlife Division

Mr Gerard Early, First Assistant Secretary

Australian Antarctic Division

Mr Tony Press, Director, Australian Antarctic Division
Mr Rod Allen, General Manager, Corporate

Bureau of Meteorology

Dr Geoff Love
Ms Helen Tran

Corporate Strategies Division

Mr David Anderson, First Assistant Secretary, Corporate Strategies Division

Great Barrier Reef Marine Park Authority

Mr Andrew Skeat, Acting Chairman
Mr John Tanzer, Executive Director
Mr John Barrett, Director, Corporate Services
Mr John Day, Acting Director, Parliamentary and Ministerial Liaison

Heritage Division

Mr Peter Burnett, First Assistant Secretary
Mr Terry Bailey, Acting Assistant Secretary, Heritage Assessment

Industry, Communities and Energy Division

Mr Barry Sterland, First Assistant Secretary
Mr Gerry Morvell, Branch Head, Energy Futures Branch

International Land and Analysis Division

Mr Ian Carruthers, First Assistant Secretary
Mr James Shevlin, Assistant Secretary, International Strategies

Land Water & Coasts Division, Coasts and Water

Mr Tony Slatyer, First Assistant Secretary, Land, Water and Coasts Division

Marine Division

Mr Andrew McNee, Assistant Secretary, Marine Environment
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

Ms Alison Russell-French, Assistant Secretary, Australian Government Natural Resource Management Team

Office of the Renewable Energy Regulator

Mr David Rossiter

Parks Australia Division

Mr Peter Cochrane, Director

Mr Sam Ceravolo, Business Manager

Policy Coordination Protection Division

Mr Mark Tucker, First Assistant Secretary

Mr Kevin Keeffe, Assistant Secretary, Communications and International Branch

Ms Nicole Matthews, Acting Assistant Secretary, Policy Development Branch

Mr Sean Sullivan, Assistant Secretary, Environment Research

Mr Luka Grey, Director, Budget Coordination Unit

CHAIR—We will now deal with the Environment and Heritage portfolio. The first group we will deal with will be outcome 2, Australia's interests in the Antarctic.

Senator SIEWERT—I would like to start by asking about whaling. My first question relates to what direction the minister is intending to take on whaling from here given the recent newspaper articles about the oversupply of whale meat in Japan. Is the government intending to take that issue up with the Japanese? What is the next step?

Senator Ian Campbell—We think that they should stop whaling. That would get rid of the problem.

Senator SIEWERT—Thank you for that!

Senator Ian Campbell—I have just written a piece for newspapers to publish where I have actually drawn attention to that and said that I cannot think of anything much more absurd on this planet than catching whales under the name of science and feeding them to pet dogs. That is about as absurd as you can get.

Senator SIEWERT—You said you were going to be writing an article about it. Are you taking it up officially with the Japanese, asking for an explanation?

Senator Ian Campbell—We think very carefully about our diplomatic approaches to the Japanese and we try to make sure that they are designed to be productive. I had not thought about it. It is an issue that has been raised in a newspaper. It is probably quite embarrassing to them. As to whether it is something for a sovereign government to take up with them, it did not strike me as being something that I would take up with them. Their defence of the fact they sell whale meat is that there is a provision—and Mr Bamsey, who is our Whaling Commissioner, can remind us of the details—within the convention on whaling that says that, when you do take a whale for science, you should not waste the by-product of that. They say that, when they take 440 whales for science, you should do something productive with the meat and not waste it; so they sell it at the fish markets in Tokyo. Now they are going to take 880-odd minnies and some fins and in the future they are planning to take humpbacks. They would say that they are complying with the international law by making sure they sell it in the marketplace. The truth is that they have enormous problems trying to sell the meat. From our

point of view, that is a good thing, because it indicates to me that the Japanese people do not want to buy the meat; they have moved on. I am sure there are some people in Japan who still enjoy it. There was a very old cultural tradition of very small coastal whaling, and there are many people in Japan who did eat whale for different reasons historically.

There was an upsurge in whaling after World War II because there were food shortages, but that shortage has long since gone. There are some Japanese people who did traditionally eat whale, but it seems to me that all of the indications we see now are that the number of people who eat whale or even aspire to eat whale is rapidly falling. That is a very good thing. I think ultimately whaling will come to an end from a Japanese perspective when the people of Japan demand that their government cease supporting and encouraging it. That will be ultimately when it stops. We hope that is sooner rather than later. I think the more that these sort of absurdities of stockpiles of whale meat and feeding whales to dogs are exposed, the more public opinion in Japan will turn against it.

Senator SIEWERT—How are we keeping track of what is going on in Antarctica now that Greenpeace has left?

Senator Ian Campbell—We have three bases down there. We have the *Aurora Australis* that runs down there. Hopefully next year we will have an air service that runs down there.

Senator SIEWERT—We now have no idea what is going on down there?

Senator Ian Campbell—We know that the Japanese have sent a fleet of whaling vessels down there to kill whales. They have told us exactly how many whales they want to kill. I have had two briefings from Greenpeace, one as recently as about an hour ago. They indicated at the briefing that they believed by the time they had left the Southern Ocean that they had got to about a quarter or a third of their quota—less than a third at this stage. I hope for the sake of the whales that they run into continuing rough weather, that they have all sorts of problems, as long as it does not potentially threaten the lives of the Japanese seamen who are there. I hope they do not take their quota. I hope they realise that what they are doing is stupid and indefensible and that they pull up stumps and come home. They have told the world what they are going to go down and do there. Some people have suggested we send naval ships down there to monitor what is going on. I think that would be an absurd waste of taxpayers' money. We know what they are doing down there. We will know I guess by the time we get to St Kitts at the next meeting how many whales they have caught. They will, based on past performance, come and declare proudly to the world how much science they have done out of this whaling exercise. I do not think there is a great need for us to have any greater appreciation of what is happening down there.

Senator SIEWERT—We have had ongoing updates on where we are up to with the diplomatic efforts. Is there any further news on that since you last reported to the Senate?

Senator Ian Campbell—I think the latest was a demarche, or diplomatic protest, to use well-understood English, that was led by Brazil. Mr Bamsey, who took over from Connall O'Connell as Whaling Commissioner after the meeting at Ulsan, was asked to travel to Argentina, I think, to discuss these issues with the South American nations who were working on this. As I said, there was a demarche in January, which Australia was part of. I think there was a total of 17 nations that were part of that.

Over and above that, I have said we are continuing to work on a very active basis on our efforts, but I do not want to flag what we are doing to the Japanese, the Norwegians or the Icelandic people. From time to time, you will see the results of our work, as you did with the demarche led by Brazil. The Japanese take this issue very seriously. They are determined to defeat the pro-conservation nations at the International Whaling Commission, and I have no doubt that they are working very hard behind the scenes to inflict a defeat on those who care about the conservation of whales when we get to the Caribbean.

Our goal is to bring an end to commercial whaling, to make the moratorium a permanent thing, to create a worldwide sanctuary, and to stop scientific whaling. They are opposed to what we are doing. They want to reopen commercial whaling. There is a huge conflict between Norway, Iceland and Japan and the position that ourselves, Great Britain, Germany, France, the United States and New Zealand have taken, but there is no benefit for those who care about whale conservation in hearing me flag what our next steps are.

I think one of the great outcomes of the leadership that we took at Ulsan was that in my analysis—and you probably should not become a commentator on your own actions—we have created a higher level of activity and a higher level focus on this issue than has been in existence for the last few years, and I think the actions of those South American nations getting together was a demonstration of that. I know, from my own experience, there are a number of European nations that are taking action at a higher level.

One of my goals is to get this whale conservation taken from the level of the whaling commissioners. With very few exceptions, most nations send a whaling commissioner to the IWC meetings. Great Britain, New Zealand, Germany and we sent ministers to the meeting. There may be some others, but I think that is probably it. The Solomon Islands also sent a minister. He is no longer a minister.

One of the things I have done with my environmental ministry colleagues that I meet at other environmental meetings, such as the UN framework convention meetings in Montreal—I take any excuse or opportunity that I can to raise whaling with other environment ministers—is to say that I think it is very important that whaling issues get taken out of the fisheries departments and commissioner level and that we have the policies and the diplomacy run within the environmental ministries or foreign ministries; in other words, take it up to a political level, where it becomes a whole-of-government issue and not an issue that is run within the fisheries departments, which historically, of course, focus on the sustainable catching of marine resources. That is one of the angles that I am working on around the world. In terms of the success to date, we cannot prejudge what will happen but I have certainly in a number of countries had a very good response to that tactic. To a lot of ministers when I brief them on what is occurring, it is news to them. It is not something we think that they have focused on. But when we draw their attention to it, many countries have actually taken an interest and have moved in that direction. It is a long, hard slog and Australia is a long way from a lot of those other places.

Senator SIEWERT—We have been having ongoing questioning about the legal advice that you have had. Has that included any action that could be taken under the Antarctic Treaty?

Senator Ian Campbell—I have given the answer publicly and I think even in the Senate recently. But perhaps Dr Press could respond.

Dr Press—The Antarctic Treaty does not cover high seas rights such as whaling. There is a specific deferral in the Antarctic Treaty to high seas rights. Whaling would not be covered by the Antarctic Treaty.

Senator Ian Campbell—We had a good look at the report that I think Dr Rothwell put forward, and there are a number of issues such as that that occur. I think there was a reference in Dr Rothwell's statement, as I remember it, from December that said we should take action at CCAMLR. As I understand CCAMLR, that defers its issues on whaling to the IWC. The one point within Dr Rothwell's suggestions that is something that we would look closely at—we were looking at it closely before Dr Rothwell suggested it, mind you—is the legal options in relation to an abuse of the powers under the International Whaling Convention on the scientific take. We have looked at it. I noticed—and I referred to it in the Senate last week—that Sir Geoffrey Palmer, the former New Zealand Prime Minister and their whaling commissioner, came to the same conclusion that we did. That was that the outcomes were probably not likely to be as successful as Dr Rothwell would have us believe. I say very frankly that, if I thought that that action would be successful, I would take it. I really believe that. I would take it if I thought it would be successful.

Senator SIEWERT—One last one. How much did—

Senator Ian Campbell—Can I just put on the record again that we do not rule out legal action. We will look at whatever options are required to bring an end to whaling and bring an end to scientific whaling. We do not rule out legal action, we just think that the options that are there at the moment are not likely to be successful.

Senator SIEWERT—Sorry, I did say 'one last one', but I just want to follow that up. What do you think might change that would then enable legal action?

Senator Ian Campbell—I cannot see the future. I hope, looking into the future, that we see a world where Japan and Norway reach the same conclusion that Australia did only relatively recently, in the late 1970s, when Malcolm Fraser brought an end to whaling in Australia. In terms of what would have to change to create the legal action, something would have to change, an action would have to take place that we thought was in contravention of international law to the extent that we were likely to win a case. What I really hope changes is the attitude of the relevant authorities in Japan. I think it will change and that it will change very rapidly. That is my assessment. I know it is changing in Norway, because I have spoken to a lot of young Norwegians and I know, speaking to a lot of Japanese, that they find this incredibly embarrassing.

Senator SIEWERT—When the ill Japanese crewman came in and they were going to bring him into Hobart, how much did it cost Australia to airlift him in rather than coming into port?

Senator Ian Campbell—Dr Press can contradict me if I am wrong, but I think it was an expense that was borne by the Tasmanian police.

Dr Press—I do not know the answer to that, but that is probably correct.

Senator Ian Campbell—It did not cost our budget.

Senator SIEWERT—But it did cost the Tasmanians?

Senator Ian Campbell—We do not really know. We were not deeply involved. We kept an eye on it. We wanted to make sure that the man's life was not put at risk but, as it turned out, it was all handled by the Tasmanian authorities.

Senator CARR—What progress has been made on the construction of the runway in Antarctica?

Dr Press—We have started construction of the runway. It has been surveyed, it has been graded and we have moved some necessary equipment down to Antarctica this season to complete the runway. We have applied in a test area what is called the snow pavement—that is, we rake snow, blow it back onto the runway and then roll it. That has been tested to the weight of a large aircraft such as a loaded Hercules C-130, and all of that work is going very well.

Senator CARR—When will it be ready for use?

Dr Press—We would hope that we could do a number of test flights next season.

Senator CARR—Will it be used only in summer?

Dr Press—It is our prediction that we will use it only during the summer, although it may be possible to use it during an emergency in the winter months. It may be, but that would depend on—

Senator CARR—What safety standards will apply?

Dr Press—Those that we are required to implement to satisfy the Civil Aviation Safety Authority.

Senator CARR—It is a warm-monther. Will the regulations be through CASA?

Dr Press—Yes. We are subject to CASA requirements.

Senator CARR—Will commercial flights be operating?

Dr Press—It is not intended that commercial flights will be operating. The construction of the runway and the use of the runway are for our purposes, scientific purposes.

Senator CARR—How many people do you anticipate will use it?

Dr Press—We are looking at moving, in the first instance, around the same number of people we move at the moment. The design of the current system is up to 400 passenger movements.

Senator CARR—What is the cost of it?

Dr Press—The total cost of the intercontinental component? It was in this year's budget figures. It is exactly \$6.82 million this year; \$10.669 million in 2006-07; \$10.858 million in 2007-08; and \$10.989 million in 2008-09, plus an equity injection for capital from bill (No. 2) money of \$4.805 million this year and \$2.195 million next year.

Senator CARR—About \$42 million?

Dr Press—A bit over, yes.

Senator CARR—What is the maintenance cost? Is there a maintenance cost involved with that? That is a construction cost; will there be an ongoing maintenance cost?

Dr Press—Yes, that will be covered in—

Senator CARR—That covers all costs associated—

Dr Press—Yes.

Senator CARR—with the operation of the runway, the airport?

Dr Press—The aerodrome, I think.

Senator CARR—The territories committee, as I understand it, has an interest in going to Antarctica, so we have a particular interest in this runway. What was the date on which it will be open?

Dr Press—We hope to run trial flights next season and have a fully operational system the season after.

Senator CARR—It will be two years away before it will be available; is that what you are saying?

Senator Ian Campbell—It depends on the quality of the questioning at estimates this year!

Senator CARR—We can be the test flight.

Senator Ian Campbell—It depends how kind you are to the department in estimates!

Senator CARR—Is it two years away?

Dr Press—For a fully operational system, yes, and we are on track to meet that.

Senator CARR—I do not have any further questions. Thank you very much.

CHAIR—We thank the Antarctic officers for appearing. We will go to outcome 1. Are there any questions relating to the Bureau of Meteorology?

Senator CARR—When do we get to ask general questions? Did you skip that bit?

CHAIR—No. This is outcome 1.

Senator CARR—General questions for the department?

CHAIR—They can be asked when we get to the department. We will go through the agencies first.

[5.43 pm]

Great Barrier Reef Marine Park Authority

CHAIR—I welcome the Great Barrier Reef Marine Park Authority officials.

Senator McLUCAS—I might start where I usually start, in terms of staffing. Mr Skeat, do you have an update of the staffing for the authority, including where they are located?

Mr Skeat—Certainly. There have not been any dramatic changes in marine park authority staffing. We provided an answer to a question on notice earlier in the year.

Senator McLUCAS—Not this calendar year.

Mr Skeat—Sorry, late last calendar year. I turn to John Barrett, who can provide us with a detailed update on where we have moved to.

Mr Barrett—The staffing numbers are similar to the figures we gave you for August last year. In terms of totals, there are around 183 ASL. There are some minor changes between programs as staff go on leave or positions are backfilled or not backfilled, depending on the nature of the leave. There are a couple of positions vacant in different areas that are currently being advertised and are in the process of being filled. But generally the figures are pretty much the same across the organisation.

Senator McLUCAS—Have the offices in Cairns, Mackay and Townsville been established?

Mr Tanzer—And Rockhampton.

Senator McLUCAS—And Rockhampton, pardon me. They are all established. The other issue I want to canvass with the authority and also with the department is the status of the review that is under way. Other than that, I did not have any specific questions for the authority. Maybe I should address my questions to it, given they are about the review. But I do want to come back to your submission to the review and ask some questions about that in due course. Can you tell me where the review is up to at this point in time?

Mr Borthwick—The review is considering the submissions before it. We have had about 220 submissions to the review. On top of that, we have had a number of form type submissions, but around 220 substantive submissions. The time period for those submissions formally closed at the end of September, but we have accepted submissions that have come in post that date. In addition to seeing submissions, we have been travelling up and down the Queensland coast and had meetings in Brisbane, Townsville and Cairns with various groups that have made submissions, and also in Canberra with people who have made submissions. We are currently in the process of formulating a report, which we will most likely formally submit to the government in around April.

Senator McLUCAS—Were the meetings you held public meetings?

Mr Borthwick—No, they were not public meetings in the sense that they were not town hall meetings; they were primarily with peak organisations from both recreational and commercial fishing interests, from seafood industry interests to various NGO interests. We also met with the chairs of local marine advisory committees and those sorts of people—

Senator Ian Campbell—LMACs.

Mr Borthwick—LMACs, yes—and people with a scientific background, such as AIMS, James Cook University and the like.

Senator McLUCAS—On what basis did you make a decision to invite certain people to those meetings and not others?

Mr Borthwick—We were looking at the meat of the issues that were coming forward in submissions and we wanted to make sure that we had a complete understanding of points that were made in the more substantive submissions. That is not to say that we were disregarding the points of others, but we could see which ones were very representative of the various

perspectives coming forward and we have done our best to make sure that we have canvassed the full range of views.

Senator McLUCAS—Could the committee at some stage get a list of those people who were invited to the various meetings? Is that appropriate?

Mr Borthwick—That will be published in our report.

Senator Ian Campbell—We will make it available to the committee.

Mr Borthwick—We will indicate who we received submissions from and who we actually spoke to. I should say there have been some members of parliament in that group as well who have sought to speak to us.

Senator McLUCAS—You said that the submissions closed at the end of September.

Mr Borthwick—Yes.

Senator McLUCAS—On the website, there is a list of submitters. It does not seem to indicate to me which ones were received after the end of September.

Mr Borthwick—No. We have not really sought to differentiate. As I indicated in my remarks, submissions have come in post September. We have not ruled them out. A lot of people got in submissions before the end of September. There was another wad within a week or two. We have not sought to close off the process if people have got some supplementary information to make available to us.

Senator McLUCAS—I have read a number of the submissions. I cannot say I have read all 220—the substantial ones. A lot of allegations are made in them. What opportunity do you give other entities to comment on those submissions?

Mr Borthwick—When the committee embarked on the review, we decided to make available on the public record all submissions unless they were particularly commercially in confidence or made some slanderous sort of accusations. We decided that all those submissions would be on the public record in the normal course so that anyone had an opportunity to see what other people were saying and, if need be, give us a supplementary perspective on it. We have tried to be as open as possible.

Senator McLUCAS—This could go on and on, though, if we have a debate through your website between people with alternative points of view?

Mr Borthwick—That largely has not happened. Whilst the opportunity has been available, people have had very clear ideas of their perspectives, they have focused on the terms of reference of the review overwhelmingly, and they have not sought to bat back and forth different perspectives. They have stated their view. That has overwhelmingly been the case.

Senator McLUCAS—With submissions that you deem to be slanderous, I think was your word, what do you do with those?

Mr Borthwick—In a few instances there were remarks being made about people, including officers of GBRMPA, and when we were alerted to those we blacked out those references.

Senator McLUCAS—The reference to the name?

Mr Borthwick—The name.

Senator McLUCAS—It is not a huge organisation.

Mr Borthwick—No. That is a difficulty and, as you said, there are some very strong feelings up there, but we have tried to be as transparent as possible and also protect individuals where we felt they needed protection.

Senator McLUCAS—In terms of allegations that have been made in some of the submissions about GBRMPA—I come from North Queensland and I know how hotly people hold these views—will you in your report attempt to counter some of the, what I think are, incorrect allegations?

Senator Ian Campbell—I think we should wait for the report to see what it is.

Mr Borthwick—Yes, I think you need to wait for our report. We will be making judgments on the balance of the evidence before us, and that is still ongoing—our deliberations.

Senator McLUCAS—We will wait until April. That report will be published?

Mr Borthwick—The minister has just indicated that it is his intention to make it public.

Senator Ian Campbell—Did I?

Mr Borthwick—You didn't? Well, it has to be—

Senator Ian Campbell—I have not actually decided that.

Mr Borthwick—It has to be submitted to the minister and he will decide in due course.

Senator Ian Campbell—You requested that we provide certain information on the submissions to the committee and—

Senator McLUCAS—Mr Borthwick said it would be and you said—

Senator Ian Campbell—Mr Borthwick said that would be in the report. I will make it my position that, if the report is released publicly, this committee will obviously get it; regardless of that, I think the submissions and so forth can certainly be provided to the committee. It is policy advice to the government on what we do in terms of the governance of the Great Barrier Reef Marine Park Authority. What will certainly become public is any decisions we make as a result of the report, but I will obviously make a decision on releasing the report at the time.

Senator McLUCAS—I do not know if you have had an opportunity to read some of the submissions, but it troubles me that some allegations have been made both ways, let us say, and if that report is not published, they just hang there as allegations and they are not essentially arbitrated on. There is no-one who has made a decision as a result of receiving that information. I think that the lack of closure on this process that would result without the report being published could be damaging. Would you like to comment on what I have just said?

Senator Ian Campbell—The inquiry is not a public commission into the history of the marine park authority. It is an inquiry to assess what are the best future arrangements for the governance of the Commonwealth's interest in the Great Barrier Reef Marine Park. But I accept what you say; there is merit in what you say. But I am not going to lock myself into a

decision. The ultimate purpose of the review is to guide policy and the future governance of the Great Barrier Reef Marine Park Authority.

Senator McLUCAS—I look forward to April, and we will see what happens then. You will make those attendees at those meetings available in the shorter time frame, rather than waiting until April?

Mr Borthwick—Yes, we can do that.

Senator McLUCAS—I turn now to the submission from the authority. There were a number of legislative changes that you recommend should be considered. Could you expand on the better alignment with the EPBC Act on the issues of threatened migratory and listed marine species? Why is it that currently the system is not delivering the outcomes that the authority thinks should be achieved?

Mr Skeat—I think the issue is that, rather than not delivering outcomes at the moment, the two pieces of legislation do deal slightly differently with these issues. Why would the Commonwealth want to have a regime that had two slightly differing arrangements? I think officers have worked well together to make sure that in practical terms there has not been a problem. But for issues as diverse as whale watching arrangements, how far away you might have to be in relation to a whale, why would the marine park authority have a regime which allowed you to set a distance for watching whales that would be different from guidelines, for example, set for the Commonwealth waters across the rest of Australia? That leads you to the conclusion that, sensibly, you would just make sure that you had the same regime operating.

Senator McLUCAS—I understand that through EPBC, though, conditions are applied to applications as they appear? I am not quite with you, I do not think, Mr Skeat. Does EPBC not have a standard condition for distance from a whale?

Mr Skeat—I think you might be referring to permitting arrangements. EPBC deals with threatened and migratory species in a range of other ways beyond simply permitting. It was our view that the arrangements should be fully aligned. I do not think either of the pieces of legislation are trying to bring about a different outcome. Both are seeking to ensure the best possible result in terms of migratory or endangered species.

Senator McLUCAS—I am trying to understand an example that would make me understand what is out of alignment.

Mr Skeat—I wonder if Mr Tanzer can provide a direct example at the moment. We would be very happy to just go back and have a look at some of the exact instances where we believe alignment would be valuable. I just cannot recall one off the top of my head.

Senator McLUCAS—Is it in the process of an application? Is the EPBC dealing with an application that differs from what happens under the GBRMPA Act?

Mr Skeat—If there was an application to deal with one of these species under EPBC and GBRMPA, we would make sure that both pieces of legislation were satisfied at the moment. The board's view was not that there should be any weakening of the current arrangements, for example, in the marine park.

Senator McLUCAS—I am just trying to get a practical understanding of it. I have to say I was thinking about permitting; I think you are talking about dealing with applications.

Mr Skeat—At the moment under EPBC there is a range of measures which can be put in place for these species which provide for protection of them—recovery plans, for example. We just want to make sure that our arrangements are completely aligned; indeed, in relation to permits, that people did not have to deal with two sets of permissions.

Mr Tanzer—I think from the point of view of the applicants or the clients it can be confusing. I think the outcomes that are being sought under both pieces of legislation are relatively consistent but the processes can differ and that can cause some confusion for applicants and clients. I think in terms of duplication of effort as well there are some gains to be made there in having a much more consistent set of legislation.

Senator McLUCAS—Was Ocean Spirit's application for a pontoon referred to EPBC?

Mr Tanzer—Ocean—

Senator McLUCAS—Ocean Spirit's application for the big pontoon off Cairns.

Mr Tanzer—Off Moore Reef? Yes. That went under the EPBC Act as well.

Senator McLUCAS—Are you suggesting that the process the applicant went through for that pontoon would be collapsed into one process?

Mr Tanzer—It could be. It depends on the size, scale and implications of the development that is proposed. With that one, it went through a PER process under EPBC and the same information was used for the assessment of the GBRMPA permit. So both GBRMPA and the department work very closely together on that, but EPBC provided an extra level, if you like, of control or oversight by the minister in terms of special conditions above what GBRMPA could apply. That was pretty seamless and it worked relatively well, but it was still inconsistent in process.

Senator McLUCAS—Is that an example, though, of what you are seeking to achieve through that recommendation in your submission?

Mr Tanzer—That could have been done more seamlessly, yes.

Senator McLUCAS—I understand. The second recommendation you have is to extend the mining prohibition to the Great Barrier Reef region. What was the reason for making that recommendation?

Mr Skeat—At the moment there is a prohibition of mining in the Great Barrier Reef Marine Park, and I am concerned, because it is reasonably complex, that I might get this confused, but at the moment in our legislation that is done through the regulations. There is no reason why that cannot be done more neatly. Mr Tanzer, can we—

Mr Tanzer—I think it is not a big issue but the marine park and the region are not the same. The marine park is almost the same but slightly smaller and some parts of the region extend beyond it. It would just make a more comprehensive cover so that the prohibition on mining extended to the region.

Senator McLUCAS—That would mean a prohibition on exploration as well as mining, as it is in the act.

Mr Tanzer—As defined in the act.

Mr Skeat—A very minor change we need to add.

Senator McLUCAS—I would like to make it a bit more major, as you know. The second point you make is probably the one I need to spend most time on. You recommend separation of the chair of the authority and the chief executive officer. Could you explain why you think that would be useful to the authority?

Mr Skeat—This was the view of the authority, the members of the board. The authority has been operating for some considerable time now and at the end of that long history of I think effective operation, the view of the board when this submission was put in in September was that, on balance—and I cannot speak for the board members—the separation of the chair and CEO would provide some more modern approach to governance, if you like. I think history shows that both arrangements can work well. GBRMPA has in the past had its chair and CEO as one. There are benefits in that in the sense that you can operate quickly and efficiently if it is one person you are dealing with. On the other hand you obviously miss out on the extra layer of advice, control, care and so on that comes with separating the two. Let us face it: normal practice—if ‘normal’ can be defined—is that usually you would have these two positions separated. So, put simply, it was a matter of thinking carefully if we are moving into the future what would be a preferred option. I cannot speak for the board but I do not think it was a view which was held as the strongest issue in managing the Great Barrier Reef Marine Park.

Senator McLUCAS—No. I imagine that would be so. Did you look at other authorities and how their governance arrangements are structured in coming to that view?

Mr Skeat—There was quite a considerable looking around, if you like, at how other arrangements have been put in place around Australia and overseas, so the answer is yes.

Senator McLUCAS—Did you look at the Wet Tropics Management Authority?

Mr Skeat—That is certainly one of the models that has been looked at.

Senator McLUCAS—This model that you are proposing seems to me very similar to the WTMA model.

Mr Skeat—I would not go that far. It is simply a statement about one very small element of managing the marine park and it is a submission to a review.

Senator McLUCAS—You also suggest that four members be appointed by the minister, two of whom will be nominated by the Queensland government, one of them to be a member appointed to represent the interests of Indigenous communities adjacent to the park. Did you give any consideration to selecting other members from areas of interest in the way that we currently recommend, and which you continue to recommend, that Indigenous interests be represented?

Mr Skeat—I think I have slightly misunderstood the question.

Senator McLUCAS—You recommend that four members of the board be appointed by the minister, two of them to be agreed to by the Queensland government. That increases the number of members of the board from the current three to—I read that to mean you were recommending a board of seven.

Mr Skeat—Yes.

Senator McLUCAS—Are you recommending that any of those people be from certain sectors, like interest sectors—not that they act as representatives but that there are interest groups present?

Mr Skeat—The board's view was that, moving into the future, the best approach would be an expertise based board. I think that view was reached as a result of some fairly lengthy experience by current board members or authority members. Certainly I think that is a fairly widely held view about putting together boards. That is the long and short of it. The board's view was that it should be expertise based rather than representational.

Senator McLUCAS—I think we are on the same wavelength there. I did not mean representational in that they be elected by their group, but if you—and this is the WTMA model—have people who are from a sector of users or participants in enjoying the reef, people feel that they have a voice there that might be able to represent their views. I am not talking about as a representative—represent their views rather than represent them.

Mr Skeat—I can see what you are saying, and again I think the key issue was that the board was clear that representational arrangements brought with it a set of issues and problems that they were concerned about and that from their perspective expertise based was the way to go. That does not leave out the possibility that that expertise will, in effect, provide advice in relation to particular sectional interests. For example, quite clearly a major user of the marine park is the tourism industry. You might expect that some expertise from that area might be available on the board.

Senator McLUCAS—Your final comment was that you recommended consideration be given to a nominee for the board from DEH itself. You prefaced that by saying, 'Whilst noting the recommendations of the Uhrig report'. Why did you think it would be useful to have a representative of DEH on the board of GBRMPA?

Mr Skeat—Put simply, the board's view was that whatever arrangement comes to pass, very close working arrangements with the department are absolutely essential. This was proposed as a mechanism.

Senator McLUCAS—Do you see that there may be a conflict, given that the board is actually making recommendations to the minister, if you have a departmental representative on the board recommending to the minister? The board did not see a problem with that?

Mr Skeat—To be blunt, the key issue was to make sure that we had very close arrangements with the department. I am sure that in any arrangement there are pros and cons but on balance the board took the view that this was a way of doing that, a way of achieving that close engagement.

Senator McLUCAS—Finally, the authority would have read most, if not all, of the submissions. You would have heard my conversation with Mr Borthwick earlier. Have you taken the opportunity to correspond with the review in terms of allegations or comments that have been made that the board may not concur with?

Mr Skeat—The authority has had the opportunity to meet with the review panel on a number of occasions and with the review panel's staff, and through the course of that process we have provided a broad range of information relating to the workings of the authority, some of which quite clearly pertain to some of the material that was put forward in submissions. We

have not explicitly addressed that. It is our view that the review will come to its appropriate conclusions based on the information in front of it.

Senator McLUCAS—You feel that the review committee has enough information to make a balanced decision?

Mr Skeat—From the marine park authority's perspective we have had every opportunity to provide a wide range of information to the review, and I think that information has been comprehensive about both the background to the authority and its decision making in relation to a range of issues, including the representative areas process.

Senator McLUCAS—Thank you for that, Mr Skeat. Mr Barrett, I cannot let you go without asking you what the finances are up to.

Mr Barrett—I assume you are talking about the reef HQ aquarium.

Senator McLUCAS—Yes, as part of the whole operation.

Mr Barrett—In relation to the reef HQ aquarium the revenue figures for the last calendar year were slightly higher than for the previous calendar year, but visitor numbers were slightly down. We have three new exhibits being prepared at the moment—one on wetlands, one on the clown fish and another on the turtle—that are due to be launched in the coming months. Our expectation is that visitor numbers from those exhibits being launched will be positive and we will have a positive response, and therefore we are expecting that revenue figures will be very close to our budget estimates for the year. Visitor numbers for the next few months are probably expected to be up on our original visitor numbers, so overall things are looking very good for the aquarium.

Senator McLUCAS—What do you think the deficit will be?

Mr Barrett—Previously at Senate estimates we have given a figure of about \$100,000. We expect it will be a lot lower than that, around probably \$40,000 above our original estimates—the net effect. Obviously we need to revise our budget estimates in future to make sure they are closer to being a bit more realistic, a bit more conservative than they have been in the past.

Senator McLUCAS—Or the government could give you a bit more money so that you do not have to dip in to operational moneys. But that is a long, ongoing discussion. Thank you.

Proceedings suspended from 6.14 pm to 7.17 pm

CHAIR—So we have got the Director of Parks and Parks Australia, then the department. You are ready to do Parks and Parks Australia?

Senator CARR—I do not know if we have got anything on the Parks. I wanted to do Approvals and Wildlife Division.

Senator SIEWERT—My first one is on Ningaloo, as in the marine park. I will come on to world heritage later. I made this mistake last time. You do marine parks, but if I am talking about something I want into the national park, I have got to talk to the marine section; that is right, isn't it?

Mr Borthwick—Yes. Stephen Oxley is here.

Senator SIEWERT—I am after some information on coral bleaching. There was the big talk about coral bleaching in the Great Barrier Reef a couple of weeks ago. The situation sounds pretty bad. I am interested to know what the situation is in Ningaloo, if you are aware of it. If you are not aware of what the situation is, is anybody looking?

Mr Cochrane—I will get Stephen Oxley to answer that question, but essentially the marine protected areas run by the Commonwealth are further than three nautical miles offshore and so you will find that most of the coral reefs, particularly in Ningaloo, are actually in a state park.

Senator SIEWERT—Are in a state park. But are you—

Mr Cochrane—There is an active program of doing that and I will let Stephen Oxley in the marine division answer that.

Mr Oxley—We have a program of monitoring for coral bleaching throughout the various Commonwealth managed marine reserves. I am not sure whether that monitoring program has gotten to Ningaloo as yet, so I would be happy to take that question on notice and come back to you on that one.

Senator SIEWERT—I will probably expand because we are coming back to this anyway. Can you tell us about the other Commonwealth marine parks in the northern waters and the extent of coral bleaching in those as well?

Mr Oxley—We do monitoring at Coringa-Herald and Lihou Reefs in our marine reserves in the Coral Sea, and we have also done monitoring at Ashmore and at Cartier. I do not have immediately with me the results of the most recent monitoring. I think we had some come back from the Coral Sea with AIMS in the recent months, and I could come back to you with some information about that.

Senator SIEWERT—That would be great. When was the last survey done?

Mr Oxley—We have had a survey done in the past six months.

Senator SIEWERT—My next question is about Christmas Island. I am wondering whether Parks Australia put in a submission into the current EIS process that is going on.

Mr Cochrane—No, we did not, because our advice is provided through the department and assisting the department prepare its assessment report for the minister's consideration. So it would not be appropriate for us to input into a public process like that.

Senator SIEWERT—So you provide advice. If I understand it properly, then, do you provide advice to the department when they are preparing their report rather than doing it through a more public process?

Mr Cochrane—Yes, because we form part of the portfolio.

Senator SIEWERT—I will ask this question, without pre-empting any answer I might get. What happens if you happen to differ with the rest of the department's assessment? How do you resolve that?

Mr Cochrane—That is an issue for the minister. Our advice is provided into the department along with other sources of advice within the portfolio. That is drawn together and then put in front of the minister.

Senator CARR—What is the status of the organisational reviews in Kakadu and Uluru national parks?

Mr Cochrane—They are both under way. The organisation review at Kakadu is more advanced. A consultant has been working up there. A draft discussion paper has been issued for staff comment and staff have actively engaged in that and provided a lot of feedback into it. So it is reasonably well advanced. I would expect within the next couple of months to have that crystallised into a document that I would then be able to look at.

Senator CARR—What is the form of consultation with staff?

Mr Cochrane—Pretty intensive, is my understanding. The consultant team has actually been in the park on and off over the last couple of months. I could not tell you how many, but if you want some specific details about numbers of meetings, et cetera, I could provide that on notice.

Senator CARR—Thank you. That would be much appreciated. Have you had any fears expressed to the review about changes to the number of ranger positions in the park?

Mr Cochrane—I have participated in a number of meetings early on in the piece, because there were some fears on that account. I have been very frank with staff, saying this is an opportunity for them to look at their business in its entirety and to think about better ways of doing the work we have to do, and seeing if there are more efficient ways of doing it so we can spread our dollars further. I have no preconceptions as to what the outcomes of the review might be. Clearly at one end of the spectrum that might be a possibility, but one of the other options I have encouraged staff to think about is whether we could contract out some of the park management services we currently do in-house to Aboriginal associations, thereby increasing their opportunities for employment under terms and conditions that they might find more suitable than working within the Public Service.

Senator CARR—There is no question about job security, then, the number of people or the number of job positions being reduced.

Mr Cochrane—Well, that is not a focus. There is one objective and that is to work out how we can make our dollars go more efficiently. If there are different ways of organising our work, then I am very interested in seeing how we can do that.

Senator CARR—So when you talk of the contracting-out arrangements, what options are being considered there?

Mr Cochrane—Well, at the moment we have just thrown that challenge out to staff, saying, ‘Are there better ways of doing it?’ If I could give the example at Booderee National Park, where we have already gone through an organisational review, it actually resulted net in reduction of one position but quite a significant plan for contracting out to the Wreck Bay Enterprises, the local business arm of the Wreck Bay Community Council, the local Aboriginal community. They have a huge opportunity now to bid for and secure work that was traditionally done within the park. I have just said those opportunities may well exist in both Kakadu and Uluru.

Senator CARR—How important are the objectives of safety and environmental integrity in terms of the maintenance of those two factors?

Mr Cochrane—We would not want to compromise on either of those.

Senator CARR—Thank you very much.

Senator SIEWERT—Talking about Christmas Island, do you have anything to do with monitoring or comments on the PRL's lease conditions? Or do I take that up with Territories?

Mr Cochrane—The lease is administered by Territories. The mining lease I am assuming you mean, yes, is administered by the Department of Territories. From time to time we provide advice where the activities on the leases have an impact on the park, but we have no administrative responsibility for the mine lease.

Senator SIEWERT—How often would you be required to provide advice where their activities impact on the park?

Mr Cochrane—Well, there is a very active dialogue with the company. If I could venture one current example, there are some concerns about the future of the pipistrelle bat on the island. There has been mining activity in one of their preferred habitats, and on a request from us the company has ceased operation in those habitats while we conduct some more research to identify what the potential causes of the decline in numbers might be. It may be mining activities, it may not, but that is a good example of the pretty active dialogue that we have with the mining company.

Senator SIEWERT—Do you provide advice to them on rehabilitation?

Mr Cochrane—Not to the company directly. We actually manage the main rehabilitation projects on the island ourselves. That is funded out of the conservation levy that the mining company pays and that is all undertaken by parks staff or contractors.

Senator SIEWERT—How much have you managed to rehabilitate?

Mr Cochrane—I do not have the exact figures in front of me, but it is of the order of 150-170 hectares. Could I take that on notice and I can give you a detailed answer?

Senator SIEWERT—I am also interested in the type of rehabilitation that is occurring. What sort of species are going back? What percentage of the original vegetation is included in that suite?

Mr Cochrane—We only rehabilitate with native species. We reckon we have got a pretty fair handle because we have been at this rehabilitation on Christmas Island for over 10 years now. We are very confident that, with the way that we are doing rehabilitation, we will re-establish intact, mature rainforest eventually on the sites that we are rehabilitating.

Senator SIEWERT—You said that you are going to get back to me. I take that on board. You reckon around 170 hectares; is that what you just said?

Mr Cochrane—That is my guess, but I would rather answer that more accurately.

Senator SIEWERT—Could you tell us at what stage that is as well?

Mr Cochrane—It depends a little bit, because we do it in some ways in fits and starts because a big chunk of the expenditure that we have to make is on earthworks, and so we try to bulk up the earthworks and then we plant. So we are just about to start a major replanting phase probably this month there on a series of plots that we have just been doing earthworks

on for the last year. My memory is that we do about up to ten hectares a year, because we do it intensively.

Senator SIEWERT—So do you provide a regular report on that?

Mr Cochrane—We would report back to Territories because the money actually comes through Territories, but there was a rehabilitation workshop held jointly with Territories, the mining company and ourselves late in January and a lot of these issues were raised there. I suspect there is a report into that workshop, if you are interested.

Senator SIEWERT—Yes. I would be, very much so. If you can provide that, that would be good.

Mr Cochrane—Yes.

Senator SIEWERT—Do you have any more on Christmas Island?

Senator CARR—What is happening with the EIS in regard to the extension of the mine site?

Mr Cochrane—Gerard Early can answer, but essentially a draft EIS has been put out for public comment and the period is still open.

Senator SIEWERT—No, it has closed.

Senator Ian Campbell—We might pursue that when we are doing the—

Mr Cochrane—Yes. Approvals and Wildlife Division manages that EIS process.

Senator SIEWERT—I presumed that was where we were going to pick that up. Last week the references committee had the privilege of being briefed by National Parks for our inquiry, and there you mentioned the national landscape program that you are running, which I had not heard of before. When did it start, and how much resources at this stage are being put into it?

Mr Cochrane—It is not a program. It is a concept that we are working up jointly with Tourism Australia. We are not putting a lot of resources into it at the moment because it is just an idea that we have been developing over the last six months with Tourism Australia trying to link the idea of protected areas and their role in tourism, regional tourism in particular, and how that links with Brand Australia. So it is a concept, not a program.

Senator SIEWERT—How many resources are going into it at this stage?

Mr Cochrane—A third of a person.

Senator SIEWERT—It seems you have done a lot for a third of a person.

Mr Cochrane—He works hard.

Senator SIEWERT—How are the states getting on? I understand you are doing it in cooperation with the states.

Mr Cochrane—We have invited the states to participate in working with us on the concept. A number have responded positively and we are following up on those at the moment.

Senator SIEWERT—Do you expect then to roll it out to other states once you have a successful concept up and running?

Mr Cochrane—Yes. We are still in the concept development phase but, yes, all the feedback so far from everyone we have spoken to has been very positive.

Senator SIEWERT—Thank you.

CHAIR—That is all? So we now call the department, beginning with the Approvals and Wildlife Division.

Senator CARR—I presume we will go across the portfolio at the end with policy coordination.

[7.32 pm]

Department of the Environment and Heritage

Senator CARR—When do you anticipate the amendments to the EPBC Act being introduced?

Senator Ian Campbell—The session after the budget session is the best guess.

Senator CARR—So it is this year.

Senator Ian Campbell—Yes.

Senator CARR—Thank you. Minister, you have said this in a number of places, but I have a quote here and I am wondering if you still hold the view about the importance of global warming. The quote is this:

On global warming I have spent an enormous amount of my time getting to understand the problem and getting to understand the solutions, and I think the Australian government owes it to the public to tell it as it is—it is a very serious threat to Australia.

Do you maintain that view?

Senator Ian Campbell—Yes. I have been saying that since July 2004.

Senator CARR—Could I ask you what steps the department has taken during your period as minister to ensure that climate change is taken into account in assessing all relevant actions under the EPBC Act?

Senator Ian Campbell—I will leave that to the department.

Mr Early—Climate change is not a matter of national environmental significance in the act and therefore it is not a direct trigger, if you like, for assessment and approval. But we do look at the indirect impacts of developments and therefore we do look at issues like climate change to the extent that they might be indirect impacts and whether or not they are going to have a significant impact on any of the matters that are protected.

Senator CARR—Minister, is it the government's intention to add a new climate change trigger when making assessments under the EPBC Act?

Senator Ian Campbell—No, it is not, but, as I recall, the act had a review provision in it and we are conducting or have conducted a review as to whether there should be a trigger. But the question was: is it our intention to do that at the moment? The answer is no.

Senator CARR—All right. The review, as I understand it, called for public comments last year.

Senator Ian Campbell—That is right.

Senator CARR—So what development has occurred in regard to that review?

Mr Early—We are analysing all the various comments and preparing a report which we have yet to give to the minister on the issue.

Senator CARR—Minister, by announcing though that the government does not intend to change the act to add a new trigger, are you not in fact pre-empting that review?

Senator Ian Campbell—No, because the report might come to me and the good people in the department might give me 15 good reasons why there should be a trigger, and that would cause me to rethink. I await their work. I think Australia is blessed with a department of the environment and the agencies within it that are amongst the best in the world, if not the best in the world, and I read very carefully their advice and challenge it where I think it needs challenging. If they give me a report that gives me a whole range of good reasons to think it again, I will consider it and take it to cabinet.

Senator CARR—When do you anticipate giving the report to the minister?

Mr Early—It should be fairly soon. We are conscious that it is a little bit overdue already, but it is just that we have been having quite a lot of work. We should have it done fairly shortly.

Senator CARR—In terms of the submissions you have received, the public comment you have received, is there a body of evidence now emerging that a climate change trigger would be appropriate?

Mr Early—There are certainly a number of submissions that have raised it. I would not want to pre-empt the outcome by expressing an opinion as to whether it is appropriate or not. There is a whole range of issues raised in the review.

Senator CARR—Is that enough time for you, Minister, to get into the parliament any legislative amendments?

Senator Ian Campbell—I have got a raft of amendments that I am looking at to bring forward, as you asked earlier. I hope to bring those forward in winter. But if other amendments come up—I do not think legislation should be a static thing. If we can find a way of improving environmental law in a way that is good for Australia—good for the environment—then I do not think the train leaves the station; there is no reason why any improvement to Australia's law that can help the environment cannot go to cabinet and seek to come forward.

Senator CARR—But if there is to be a trigger there will be a requirement for amendments to the act.

Senator Ian Campbell—Yes, but I am not exercised as to whether any potential trigger amendment would have to catch up with the other amendments I am bringing forward.

Senator CARR—So you are suggesting you might have a separate amendment bill just to deal with that?

Senator Ian Campbell—You are suggesting I might be pre-empting the report by saying the government is not of a mind to put in a trigger now. I do not think I want to pre-empt what

the report might say and what the legislative consequences of that would be. But it is not a problem, I do not think. You have been manager of opposition business, I have been manager of government business—

Senator CARR—Yes, we all know how things can be done. I am just interested to know how the Public Service can respond to this situation, and whether you are able to advise the committee what is the nature of the amendments that you are proposing.

Senator Ian Campbell—No, I think I want to go through a proper process in terms of the amendments and I am considering how I put those out among the public, and how I deal with them and how we introduce them. But that will all happen fairly quickly, as you would know, when introducing amendments into the winter session. The shape of the amendments will become obvious very soon.

Senator CARR—Do you expect there will be an exposure draft of the bill?

Senator Ian Campbell—That would be a possibility, but it is more likely just to be a set of amendments.

Senator CARR—Thank you very much. That concludes my questions.

Senator SIEWERT—I will take up where Senator Carr just left off, on the amendments. Do you envisage, therefore, that out of the review could potentially come another suite of amendments? If the review is being done properly, one would expect that there may be.

Senator Ian Campbell—I have not been thinking of the review in terms of the trigger as an amendment that would be in the amendments that I have been progressing. If the review comes to me in the time span that Mr Early has suggested and it has got recommendations for changes to the act, the sensible thing to do if there were legislative changes coming from that review and the amendments were in the drafting phase for the amendments I am already progressing, would be to acknowledge that these could catch up. If they could not, it would not really matter because if they are important and good we could always bring them in in the autumn sittings. So that does not concern me so much.

Senator SIEWERT—I have got some more questions. I would like to follow up the Christmas Island assessment and just get a time line for when that is expected. Submissions closed at the very beginning of January, as I recall.

Mr Early—Yes, they closed on 9 January, and essentially it is now with the company to respond to all the public submissions made and to finalise an EIS, which will then go to the department for an assessment report, which will then go to the minister for decision.

Senator SIEWERT—When do you expect that done?

Mr Early—The company have said that they are hoping to get the final EIS to us in the first quarter, so by the end of March, but it is entirely in their hands.

Senator SIEWERT—I do not know if this is the appropriate question area to ask, but I would like to ask about sharks.

Mr Early—Marine division?

Senator SIEWERT—Marine, is it, not wildlife?

Mr Early—Yes, that is right.

Senator SIEWERT—Marine is going to have a lot to answer.

Senator McLUCAS—I want to ask questions about the approval for False Cape in Cairns. At last estimates we talked about the approval process and I now have all those documents that are part of that approval process. Can you confirm to me that the first document is in fact the decision to approve the taking of an action?

Mr Early—When you say ‘the first document’—

Senator McLUCAS—The first formal document between the Department of Environment and Heritage and the proponent is the decision for the taking of an action.

Mr Early—Do you mean the first in time series?

Senator McLUCAS—Yes.

Mr Early—I think, in fact, the conservation agreement was signed with the minister prior to the approval being given, and then the approval was given.

Senator McLUCAS—Can you explain why the conservation agreement was signed prior?

Mr Early—The department felt and the minister agreed that it was a more stringent application of the condition because the conservation agreement is under the EPBC Act and it is legally binding on the company and all successor companies, so it was a way of guaranteeing some of the more contentious issues around the development.

Senator McLUCAS—Just on that question of successor companies, successive owners of land as well?

Mr Early—Yes, it applies to that.

Senator McLUCAS—And how is that binding?

Mr Early—It is legally binding under the EPBC Act.

Senator McLUCAS—And did that comply with Queensland law?

Mr Early—It is Commonwealth law. It is legally binding.

Senator McLUCAS—We will get to the details. So the conservation agreement was agreed prior to the decision to approve the taking of an action.

Mr Early—Yes.

Senator McLUCAS—In the taking-of-the-action document, there are a number of conditions. In No. 5, it says that environmental awareness training for all staff, contractors and other personnel working on the development site will happen. How do you ensure compliance with that?

Mr Early—We have a requirement in the approval for a certificate to be issued stating that the conditions have been met. We also do audits on approvals and we rely on people who are aware of the conditions, particularly for something like this which was contentious, to raise issues with us.

Senator McLUCAS—I am sorry, that does not answer my question. How do you ensure that this training for all staff—for every person who goes on to that site—has happened?

Mr Early—It is a legally binding condition and, if you look at item 8 in the approval, on 1 July each year the company has to provide us with a certificate identifying how it has complied with the requirements.

Senator McLUCAS—And the proponent will write you a note that says that everyone who has been on the site has been trained, and you tick that box? I am sorry, I need more than that. What are you going to do to make sure—

Mr Early—I think I would have to take this on notice.

Senator McLUCAS—No, I'm sorry—

Mr Early—You are talking about a particular project with four pages of conditions plus a conservation agreement and you are expecting me to be able to go through every little bit of it at estimates.

Senator McLUCAS—They are the conditions of Cairns City Council. I am worried about them as well.

Mr Early—Yes. We can provide you with—

Senator McLUCAS—You have five pages. How do you make sure that that training has occurred?

Mr Early—Because the company is required to tell us how it has happened.

Senator McLUCAS—On 1 July next year you get a document that says everyone who has been on site has been trained. How do you assess that? How do you assess the truth of that?

Mr Early—It is not a matter of having a document that says everybody has been trained. We would require details of what training was undertaken, who did it and who were the people involved.

Senator McLUCAS—That is a bit retrospective, isn't it? How do you then confirm that that has occurred? Do you send people out to ask all of the contractors who have been on site?

Mr Early—We might do that. It depends on the level of the information that is provided by the company. But I cannot tell you now how the department or the minister will respond to what the company provides us by way of their certificate that they have abided by the conditions.

Senator Ian Campbell—Perhaps you can tell the committee how many projects have similar conditions. This is core business for this division of the department, and it will be done around the coast.

Senator McLUCAS—I am interested to know how you can absolutely confirm. This is one of your conditions. To quote your words, these were 'stringent conditions'. Maybe that is not the right phrase.

Senator Ian Campbell—They are all stringent conditions applied to many developments—

Senator McLUCAS—I want to know how stringent they are.

Senator Ian Campbell—We apply conditions to most developments, many on the coast. This is what this department does, this is what this division does, and it does it very well.

Mr Early—We may decide to audit the company. We will require some evidence that they are abiding by the conditions, but it depends on what they provide.

Senator McLUCAS—That is in July of next year?

Mr Early—On an ongoing basis. In October we had an issue about geotechnical site work. We basically raised that with the company, inspected it and so forth. It depends on the circumstances. We cannot have somebody there 24 hours a day, seven days a week, 52 weeks in the year looking over their shoulder. That is what you seem to be implying.

Senator McLUCAS—You have stringent conditions, but I want to know how you are ensuring that those are being complied with.

Mr Early—I cannot really add anything more to what I have already said.

Senator McLUCAS—Going to the question of geotechnical approvals to do survey work, I understand that some works happened in December and early January and that officers of your department attended the site—correct me—in maybe late December?

Mr Early—That is right, yes.

Senator McLUCAS—Your understanding was that those works were for the proponent to undertake some geotechnical works to ascertain the geotechnical nature of the site?

Mr Early—Yes.

Senator McLUCAS—Do you not agree that that is in fact the building of a road?

Mr Early—No, we found that they were geotechnical works associated with the preconstruction and that there was no breach of the conditions.

Senator McLUCAS—Mr Early, I am going to give you a photograph and I would like you to tell me whether or not you think that is a road.

Mr Early—It looks a bit like a road, yes.

Senator McLUCAS—It looks a lot like a road, doesn't it? For the benefit of others who might not know where this is, this is between the wet tropics World Heritage area and the Great Barrier Reef. We are talking about a piece of land on East Trinity that is between two World Heritage areas, and the picture that I have provided to you is meant to be about seeking geotechnical information. That looks like a road to me. You have confirmed it looks like a road to you. I do not know how that complies with the approvals that you have given.

Mr Early—I have not personally been visiting, but our experts have visited and said that it is part of the preconstruction works that are acceptable within the approval. I can take that on notice and get further information to you.

Senator McLUCAS—We have a person up here walking up a road. That is not a track so that you can do some geotechnical investigation.

Mr Early—That is your view. It is not the view of our—

Senator McLUCAS—I think it might be yours, too, given that it is the same road that has been built. The question is: how do you monitor the conditions that you set in, firstly, as you said, the conservation agreement but that are also set in the decision to approve the taking of an action? How do you ensure that the water quality monitoring program is happening?

Mr Early—Once again, we rely on the company to give us evidence on how they are meeting the terms of their approval. We may also audit the approval and, as has already been indicated, we may visit the site to check on how things are going. There is a variety—

Senator McLUCAS—When officers attended the site in December of this year, why did they attend?

Mr Early—Because the issue had been raised about the works that had been done.

Senator McLUCAS—It is only because people tell you that something might have happened that officers of your department attend and have a look at it.

Mr Early—No, it is not only that. I am assuming—it may not be the case—that we were told by local community residents, but there might be a variety of reasons why we visit a site.

Senator McLUCAS—Could you take that on notice and tell me why officers visited the site in late December this year? Let us move to the initial agreement. Looking through the initial agreement, I can find conditions that are relevant to the construction of buildings—how high they are going to be and whatever; and that seems to be about visual amenity, and that is fine—but very little about stormwater run-off, erosion questions. More fundamentally, there is some discussion, especially in the minister's press release, about the impact on the Great Barrier Reef, but none at all about the impact on the wet tropics World Heritage area. Can you explain why there was some discussion, albeit limited, about potential impact on the reef but none at all on the impact on the wet tropics World Heritage area?

Mr Early—I would have to look back at the assessment documentation to answer that question.

Senator McLUCAS—Is it appropriate that the proponent allowed dogs on the site that were untethered overnight?

Mr Early—I don't know.

Senator McLUCAS—Are you aware that it is a potential cassowary area?

Mr Early—Yes.

Senator McLUCAS—Do you think it is appropriate that dogs be on site overnight that were untethered?

Mr Early—I would not think that it is appropriate.

Senator McLUCAS—No, I do not think so, either. If you did not know that and the department did not know that, how then can I be assured that the department is in fact being able to ensure compliance with the conditions that it has written?

Mr Early—Just because I do not know does not mean that the department does not know. I am not aware of that issue. It has not been raised with me.

Senator McLUCAS—Dogs were brought onto the site on 21 December 2005 and left on 9 January 2006.

Senator Ian Campbell—Did someone advise the department of that?

Senator McLUCAS—I am not sure. I do not know.

Senator Ian Campbell—You have known about this; someone advised you.

Senator McLUCAS—That is right, but much after that. They were there to stop people observing what was happening on the site. Mr Early—I think it was you or it may have been another officer—advised me at the last estimates that you would receive information from the community because people would be able to observe what was happening on the site. I do not know if you have been to False Cape. It is a very isolated but very visible part of Cairns. I do accept the minister's frown at that point, yes.

Senator Ian Campbell—No, I was struggling to get into an internet site, not thinking about what you are asking.

Senator McLUCAS—It is hard to get to but extremely visible, and the impact of this development will be huge. I am concerned to know about the ability of your department to monitor these stringent conditions that the minister has signed off on.

Mr Early—I can provide a detailed answer on notice about precisely the way we will be handling this project, but I am not in a position to respond to particular issues about what might have happened on particular days when I am not aware of it.

Senator McLUCAS—I understand; you cannot know when the dogs were on the site and what might have happened.

Senator Ian Campbell—If a community-minded person has that concern, it is an incredibly natural thing in a democracy to pick up the phone and either ring the department or even ring me. If someone brings that to your attention, you could just say, 'Hang on, I will ring the minister for the environment.'

Senator McLUCAS—I understand that the same email with these photographs that show, in my view, a road—not a geotechnical investigation, a fair dinkum road—was sent to your email address as well as mine on the same day. You were advised at the same time as I was advised about what was happening.

Senator Ian Campbell—That person has done the right thing.

Mr Early—In fact, the department responded by visiting the site and investigating.

Senator Ian Campbell—That is how it should work.

Senator McLUCAS—You do not have an assessment of whether or not that is a road—

Senator Ian Campbell—What I was talking about is the dogs. You have raised this issue of the dogs.

Senator McLUCAS—It is the secondary issue that relates to that. The dogs were put on the site to stop people going on site, I am advised.

Senator Ian Campbell—That is a good thing; if people have got concerns, please raise them. So that is great.

Senator McLUCAS—How can people raise them if they cannot get onto the site?

Senator Ian Campbell—You just said that they emailed the photographs. People are emailing—

Senator McLUCAS—As a result of these photographs, there were dogs put on the site in a potential cassowary area.

Mr Early—The department has a compliance website and also we have a telephone number for compliance. We get a large number of emails to our compliance website where members of the community raise issues that they think should be being handled through the EPBC Act. There are avenues for people to report, anonymously if they wish, alleged or potential breaches of the EPBC Act, and we follow them all up.

Senator McLUCAS—That is a retrospective event.

Mr Early—No.

Senator McLUCAS—I want to know how, prior to this sort of stuff, which are minimal works apparently, you can be assured that the conditions that have been applied under the EPBC Act can be adhered to.

Senator Ian Campbell—Mr Chairman, the officer has said that he will take that on notice and provide a detailed answer. I think that is a reasonable course of action.

CHAIR—I think it is too. We have talked this through and I think that is a reasonable proposition.

Senator McLUCAS—Why was the Wet Tropics Management Authority not consulted in the approval process?

Mr Early—I am not sure, Senator. I would also have to take that on notice. Yes, in our response—

Senator McLUCAS—In the documentation there is a lot of discussion about the World Heritage values of the Great Barrier Reef. They are all acceptable and I agree with them. But there is no recognition of the World Heritage values of the adjoining World Heritage area—that is, the wet tropics.

Mr Early—Obviously WTMA would have been well aware of the project.

Senator McLUCAS—But you referred it to GBRMPA, not the WTMA.

Mr Early—Yes. That is right.

Senator McLUCAS—If you cannot advise me now, I would like to know on notice.

Mr Early—Yes, I will take that on notice.

Senator McLUCAS—Thank you. Can you also advise what sort of ongoing monitoring the Department of the Environment and Heritage will undertake to ensure compliance? If the answer is that you will wait until July next year after the wet season, after we have had major rains with those sort of cuts around the place, then well and good. But I would like to know what the compliance regime with the ‘stringent conditions’ that the government has applied to this site will be.

Mr Early—I will provide that as part of the detailed response I spoke about, Senator.

Senator McLUCAS—Thank you. I look forward to that, Mr Early. Please be assured this is a very significant development with potentially huge implications that have been potentially overlooked in the approval process. That is all I wanted to ask.

Senator Ian Campbell—I think the comment is a very valid one. Proponents in these circumstances right around Australia have some of the most stringent provisions enforced

upon them by any law anywhere in the world. If they breach them, they have potentially significant civil and criminal penalties. That is what the Environment Protection and Biodiversity Conservation Act did. It is regarded internationally, I am told, as one of the strongest environmental laws in the world. In fact, the government gets criticised for the level of environmental red tape we have brought into Australia as a result of that act. The government gets criticism for the strength of this law. It may be that Senator McLucas would rather have us there with surveillance cameras—I am exaggerating—ahead of any action. The reality is that the proponents in developments around there have this hanging over their heads because of the law this parliament passed and this government brought to this parliament. If they undertake an action which is in breach of the conditions and in breach of the law, potentially significant civil and criminal penalties will apply to them. So they have a massive incentive to comply with the law. The government can come in if such a breach occurs and stop the whole project, which will cost the developer enormous amounts of money, or it can ask them to rectify it or, as I have said, the courts may impose other criminal penalties. So there is a massive incentive for a proponent to comply with the law. So I do not think we should leave this hearing thinking that once they have got their approval they are free to go off and do what they want to do.

Senator McLUCAS—I beg to differ, Minister. In your press release, you said that the proponents will have to adhere to strict conditions. I have had no evidence today that makes me comfortable that this department is in fact making that proponent adhere to those strict conditions. Yes, the penalties might occur somewhere down the track. But if that is geotechnical and that is investigating whether or not this ground is stable, I am the monkey's uncle. That is a road. There are two roads. That is the Great Barrier Reef World Heritage area just there. Over here is the wet tropics World Heritage area. And that is a road.

CHAIR—I think you have made your point, Senator.

Senator SIEWERT—I want to follow up on some compliance issues.

Senator JOYCE—I raise a point of order. I want to make a point for the record. I have a number of questions for GBRMPA. Unfortunately, I was tied up in a meeting next door. I just want to put on the record that I will put those questions on the record for GBRMPA. They concern fishing zones and fishing areas of North Queensland on behalf of fishing people in North Queensland. I will have them delivered to your office tomorrow.

CHAIR—To the secretary of the committee. Questions on notice have to be in by Thursday, but there is a bit of leniency there. Thank you, Senator Joyce.

Senator SIEWERT—I want to follow up on the minister's comments on compliance and penalties. How many times has the act been used to stop a project or to require a developer to take remedial action?

Mr Early—Three times it has been used to stop projects. On another two occasions, preferred options have been rejected. In terms of remedial action, there has been one civil case in New South Wales for land clearing of a Ramsar wetland.

Senator SIEWERT—In that case, what were the proponents required to do?

Mr Early—There were penalties of \$450,000 plus remediation of the land. So that is fairly significant, I think.

Senator SIEWERT—Is that the only time when a proponent or developer has been required to rehabilitate and to pay a fine?

Mr Early—They are the only formal occasions. But we have had a number of instances where matters have been raised with us and we have negotiated outcomes where people have either remediated or made offsetting arrangements.

Senator SIEWERT—Are they on the public record?

Mr Early—A number of them have been identified in our EPBC Act annual report over the last few years.

Senator Ian Campbell—One I was engaged in was at Mount Buller, where there was an activity that disturbed a threatened species, as I recall. It was a pigmy possum. The department was in the process of taking the owners of the resort, which is a ski resort, to court. In the end, I think the outcome was that the owners basically—parliamentary privilege is useful here—as I understand it, admitted a breach of the law, which would have potentially seen fines much larger than what occurred in New South Wales. They came forward and worked up a significant conservation remediation plan and are now putting in place a very long-term plan to protect the habitat and help ensure the survival of the pigmy possum. So it is a good news story for the environment. The lawyers lost there and the environment won. But that is an example of that law in action.

Senator SIEWERT—So there is one case where they have been formally required to pay and remediate and a number of others have been negotiated informally. Do I understand that correctly?

Mr Early—Informally, not through the legal system. But they are formal agreements. In fact, the one that the minister just mentioned is costing the company in the order of \$400,000. So it is formal as far as they are concerned.

Senator Ian Campbell—Mr Early referred to a report on this. It might pay to give Senator Siewert that report.

Mr Early—There have been a number of case studies in our annual report so I can dig them out and give them to you.

Senator SIEWERT—Thanks. I want to follow up a question I asked on notice last time about—

CHAIR—Is this still on approvals?

Senator SIEWERT—Yes. It is about compliance. Well, I presume this is where it comes under—the compliance table. I asked a question on notice about compliance tables and whether you do them. You said you do a compliance table. I then asked whether the reports on monitoring conditions on projects are publicly available. You said that the reports are not publicly available.

Mr Early—Sorry? You said they were not?

Senator SIEWERT—In the answer to my question on notice, you said no, the monitoring tables were not publicly available.

Mr Early—That is right.

Senator SIEWERT—Why is that?

Mr Early—It is a risk management approach in terms of identifying in our view the projects that we should be, if you like, keeping more of an eye on. If we make a mistake and there is another one that we are not looking at, we would not want necessarily everyone to know that. So it is basically just a part of our monitoring and audit process. We do not want to tell the world the particular projects we are looking at.

Senator SIEWERT—Wouldn't it be in your interests to let the company know that there was public accountability as well?

Mr Early—Yes. But what about the companies that are not on our list? Do they think, 'Oh, well, we can do what we like now because we're not being looked at?'

Senator SIEWERT—That begs the question as to why you would not be monitoring all companies' conditions.

Mr Borthwick—Senator, it is a bit like the tax office. That might not be a good example—we have a self-assessment scheme and the tax office undertakes audits on a risk basis. We have lots of projects that go ahead and are approved subject to conditions. It is just not practical for us to look at every one on an intensive basis. So we have a risk based approach. We have a closer look at those where we judge the risks to be highest. It is a commonsense approach. If you are subjecting developments each year to approvals, you are building up a very big stock over time. It is only practical to proceed this way. It is just going to be an impossibility to monitor every project on an ongoing basis. So we are very reliant on audits and the public reporting of breaches. I think from memory we probably had about 130 or so of that order last year. We follow up all of them. But it is very much a risk-managed approach.

Senator SIEWERT—I understand the point that you are making. I probably should know the answer to this. On your website, are all the conditions on projects listed?

Mr Early—Yes.

Senator SIEWERT—So if a member of the public has worries about a project, they can actually go and find those conditions on that website?

Mr Early—Yes.

Senator SIEWERT—Thank you.

CHAIR—If that is all for approvals and wildlife, we will go to the heritage division.

Senator CARR—Has the Heritage Council or its predecessor taken any work outside Australia since 2002?

Mr Burnett—The only meeting that I am aware of outside Australia since 2002 was a meeting of a committee called the Heritage Chairs and Officials of Australia and New Zealand. That meeting occurred in Wellington, New Zealand. I am not sure whether it was in 2002 or 2003. But otherwise the business of the council and commission has been conducted inside Australia.

Senator CARR—Would you mind taking on notice to check information as to what travel officers have undertaken, either Department of the Environment and Heritage staff or

members of the Heritage Council or the Heritage Commission, in relation to heritage matters since 1996. What overseas work has there been?

Mr Burnett—Since 1996?

Senator CARR—Yes.

Mr Burnett—Did you mention both staff and members of the commission and then council?

Senator CARR—Actually paid for by the Commonwealth.

Mr Burnett—Yes.

Senator CARR—I do not want to know about their private trips—

Mr Burnett—No.

Senator CARR—But I do want to know whether or not they have actually undertaken work out of the country. For instance, is it true that the department has undertaken work in Iraq?

Mr Burnett—In Iraq?

Senator CARR—Yes.

Mr Burnett—No.

Senator CARR—It is not true at all?

Mr Burnett—No.

Senator CARR—So did the Australian Heritage Commission or council recommend the establishment of a cultural heritage reference group in Iraq?

Mr Burnett—Not to my knowledge, Senator.

Senator Ian Campbell—I think it is true that there are private people in Australia who have an interest in cultural heritage who have an interest in Iraq, though—

Senator CARR—I have no doubt that is true.

Senator Ian Campbell—because of the significant cultural heritage.

Senator CARR—I understand that there are people who have great interest in these matters, particularly given the looting that occurred following the invasion of the museums and the like. But I just want to be clear about the issue. You are saying that the Commonwealth of Australia, through your department, has had no involvement in heritage work in Iraq?

Mr Burnett—It has just been brought to my attention that we may have contributed to something some time ago. I am afraid that is information I do not have personally. I will take it on notice.

Senator CARR—I am interested in this. What is the nature of the work that you think you have contributed to?

Senator Ian Campbell—I will tell you my vague recollection and it is very dangerous to do so. But I think ICOMOS, which is the international body, have some of these private

people. I just recollect from the last meeting I had with them that this issue of support for ICOMOS arose. I think one of the things they said they regarded as important was this issue of looting and the destruction of places in Iraq. But that may be a faulty memory. We will check on it for you.

Senator CARR—Mr Burnett, how long have you been with the department in this capacity?

Mr Burnett—In this capacity, since last September, Senator.

Senator CARR—That might account for it. Have any other officers been around for the last three years?

Mr Burnett—Nobody that is here, Senator. My predecessor is no longer with the department.

Senator CARR—It is a very interesting proposition, you know, given the size and importance of the department. I ask those questions because I have here a press release dated 19 May 2003 by the former minister, Dr David Kemp. It is headed, 'Minister acts to protect Iraq heritage' and says:

Minister for the Environment and Heritage, Dr David Kemp, today announced the formation of an Australian expert cultural heritage group to provide the Federal Government with practical steps to ensure the recovery and future protection of Iraq's cultural heritage.

It went on to say how terrible it was that things had been knocked about so much. He referred to the Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict. It states that the Australian forces may well be aware of their obligations in this regard. He also said:

I am now pleased to announce the formation of the Cultural Heritage Reference Group of Iraq...

He went on to say that the members of this cultural heritage group included Mr Tom Harley, the chairman of the Australian Heritage Commission, and a number of other prominent persons from Australian universities. But the chair of the commission is actually on this matter. I am just wondering whether there is anyone in the department who has any recollection of this ancient history of 2003.

Senator Ian Campbell—It is a totally fair question. We are all relatively new. I am not making excuses. I did have a recollection which I did put on the record very honestly. We will basically take that on notice and get you an answer, if we can come back to you.

Senator CARR—Thank you. I am particularly interested because I would like to know how much money was spent on the group and, in particular, comments made at the time by the minister that Australia was working with Interpol and international heritage bodies to stop the trafficking in Iraqi artefacts. What actions were taken with regard to that? Were any documents produced? Is there any evidence that this group actually did anything that would justify the minister's press release of 19 May 2003? By the way, the identification there is KO111, so presumably on the archives of the department's website at least we can establish that this event occurred.

Senator Ian Campbell—No. We are not arguing at all—it did occur and—

Senator CARR—Could I have a copy of any reports that were prepared. Obviously given your response, I notice that the Heritage Council annual report for 2002-03 referred to the reference group report being considered by the government. What action was taken with regard to that matter? Did any members of the department or the Heritage Commission or any other government officials visit Iraq—that is why I asked the first question—as part of this project? Who did they meet and who met the costs? What were the outcomes of their visits? Were any consultancies undertaken?

Senator Ian Campbell—We can answer the question in relation to the parliament in terms of costs and visits as an absolute no.

Senator CARR—No-one from the department?

Senator Ian Campbell—Yes. No money was spent in relation to travel. No-one from this portfolio visited Iraq in relation to that.

Senator CARR—So Mr Harley is the chair of the Australian Heritage Commission?

Senator Ian Campbell—Mr Harley has not travelled overseas on AHC business in his time as chairman. That is my advice. That is in his current capacity. Apparently Mr Harley may have travelled to New Zealand in his previous role prior to the establishment of the AHC as it is now.

Senator CARR—I have asked previous questions in that regard. That will pick up whatever travel has been undertaken on heritage issues since 1996. I am interested to know, if you or one of your officials could assist me, Minister, with a reference. The annual report of 2002-03 spoke of a payment of \$30,000 to a company known as The Distillery Pty Ltd for Iraqi heritage. Can anyone assist me on that matter?

Mr Burnett—Was that the annual report of the Australian Heritage Commission or of the department?

Senator CARR—The department.

Mr Burnett—I am afraid I will have to take that on notice. That is not something I have any personal knowledge of.

Senator CARR—Could you also advise the committee what the payment for the \$30,000 was for and what reports were undertaken. Could you advise the committee on the selection process for this company known as The Distillery. Was there a public tender process? If not, why not? Were any other funds allocated through the Cultural Heritage Reference Group?

Senator Ian Campbell—Are you saying that the \$30,000 referred to in the 2002-03 was in relation to the Cultural Heritage Reference Group?

Senator CARR—The report referred to Iraqi heritage. I have asked a series of questions about events that occurred three years ago. Frankly, I am astounded that no-one in senior management can answer these questions. I would like to know what the \$30,000 was spent on and why it was that the company, The Distillery Pty Ltd, received this money. I am interested to know particularly about this company because I do not believe they have a strong expertise in heritage.

CHAIR—If you put it on notice, Senator Carr, you will get the answers.

Senator CARR—I understand that. I understand the point you make, Mr Chairman. I am making the point that this is a pretty serious issue and the Australian Public Service cannot answer these sorts of basic questions.

Senator Ian Campbell—No. It is not the Australian Public Service. It is this department that has an interest in heritage.

Senator CARR—This department then. Do you think this is typical of the Australian Public Service?

Senator Ian Campbell—No, I do not.

Senator CARR—I hope not.

Senator Ian Campbell—But the Australian Public Service is a whole series of departments who sometimes work conjointly on projects. I imagine that a project overseas would engage a number of different departments. In fact, I am sure any project overseas would engage a number of different departments. My own brief knowledge of heritage issues overseas is that they do involve a range of different departments. This department is asked for its expertise in relation to heritage. It is fair to ask questions about that, but to make aspersions about the public servants who work in my department in the heritage area because they are not fully aware of everything that might occur in other parts of the Australian Public Service and, therefore, besmirch the Australian Public Service in such a way I think is grossly unfair.

Senator CARR—Well, what I think is unfair is we ask simple questions like this and we cannot get straight answers on them. That, to me, is unfair to the parliament.

Senator Ian Campbell—No, it is not. I will make it a bit clearer if I can. I will speak slowly and use shorter words. These are no doubt questions that require a coordinated response across departments. When we deal with a foreign heritage matter, we would have at least three, possibly four or five, other departments involved. This is one department. We have said that we will seek answers. You may well have gone and asked other departments. We are not aware of that in this department.

Senator CARR—Simple questions concerning your annual report from three years ago. They are simple, straightforward questions.

CHAIR—Senator Carr, you have put the questions on notice. There is nobody here who can answer you.

Senator Ian Campbell—Sorry to interrupt, but he put them on notice and then besmirched the capabilities of the officers here. I do not think that should go without comment. Senator Carr has a reputation for doing this. He likes to sit there and blame Australian public servants. In this committee it will not be accepted.

Senator CARR—I want to blame the Australian government that puts the Public Service in this position. That is what I am saying.

Senator Ian Campbell—You said the Australian Public Service.

Senator CARR—I asked whether it is typical of the Australian Public Service, and I do not believe it is. What I do find extraordinary—

Senator Ian Campbell—Now you are backing off from your position.

Senator CARR—is that a simple matter like this cannot be addressed by professional officers in a department of this size. I find that extraordinary.

Senator Ian Campbell—This senator has been around here long enough to know that he cannot just come to one estimates and not look at what other departments are involved. He needs to get the questions asked across a series of departments. It is actually a reflection on his laziness, not a reflection on the fine members of the Australian Public Service.

Senator CARR—What is lazy here is your department being unable to answer questions about its own annual report.

Senator Ian Campbell—Here you go attacking my department again.

Senator CARR—We are talking about your department's annual report.

Senator Ian Campbell—Here he goes attacking the good people of the department of the environment.

CHAIR—This is a pointless discussion.

Senator RONALDSON—You cannot get stuck into people and then turn around and say that you were asking a rhetorical question. You cannot have it both ways.

Senator CARR—This is not a rhetorical question.

Senator RONALDSON—You cannot get stuck in and then say it was a rhetorical question.

Senator CARR—This is straightforward, factual information this committee is entitled to.

Senator RONALDSON—Oh, sorry.

Senator Ian Campbell—And it has taken him three years to find it. Most people read the annual report of the year 2005. This bloke is still back in 2002.

Senator RONALDSON—Attack people and then say it was a rhetorical question; you cannot have it both ways.

CHAIR—Senator Carr, you have put the questions on notice. You will get an answer in due course. It is quite obvious that there is no incompetence of the officers here now. In due course you will get an answer. Nobody here was involved. That should end the matter.

Senator Ian Campbell—Mr Chairman, is this senator going to apologise to these officers whom he has just insulted? I think he should.

CHAIR—If you have besmirched them, you should, and I think you have.

Senator CARR—Oh, nonsense! Nonsense!

CHAIR—Well, you have alleged that—

Senator Ian Campbell—Next question, Mr Chairman. This is a reflection on his character, not on my officers.

Senator RONALDSON—Hear, hear! Or the Public Service generally.

Senator CARR—Is Mr Harley still the chair of the Australian Heritage Council?

Senator Ian Campbell—Yes, he is.

Senator CARR—Is he also head of the Menzies Research Centre?

Senator Ian Campbell—Yes, he is.

Senator CARR—Is he also a senior executive of BHP?

Senator Ian Campbell—Last time I checked the website of the Menzies Research Centre, but it is not an issue for the minister for the environment or this portfolio.

Senator CARR—Is it the case that the Heritage Council Act requires that a member of the council must not engage in any paid employment or any other activity that the minister is satisfied conflicts or may conflict with the proper performance of the member's duties? Is that an accurate reading of section 10?

Mr Burnett—It may well be. I am afraid I do not have a copy of the act in front of me.

Senator CARR—In previous questions on notice—in the House of Representatives No. 2341—Mr Harley declared a conflict of interest in relation to many sites of heritage significance, including the Burrup Peninsula. How is Mr Harley, as chair of the Australian Heritage Commission and a senior employee at BHP, which has a substantial interest in those sites, able to operate as chair?

Senator Ian Campbell—You have just described how. Where people have a conflict or a perception of a conflict, they can stand aside from it. If you had a chairman of the commission who had no interests anywhere in Australia, you would have someone who would never be put in that position. We have chosen in Mr Harley an incredibly competent and diligent person who puts in hundreds of hours a year, I suspect, into building the reputation of this commission and building an appreciation of the heritage of this country. He is a very capable fellow and I think would fully expect an attack from a Labor Party hack, which is what he is receiving now.

Senator CARR—Minister, on how many occasions has Mr Harley excused himself from deliberations of the council when considering matters in which he has a direct or indirect financial interest?

Senator Ian Campbell—I suspect we can take that on notice.

Mr Burnett—You are referring to answers to questions on notice given in the House of Representatives?

Senator CARR—I am.

Mr Burnett—When was the answer given?

Senator RONALDSON—On Tuesday, 7 February 2006.

Mr Burnett—It discloses in that answer that on a number of occasions Mr Harley and other members declared their interests at the beginning of the meeting. That is a standard practice in the Heritage Council. It occurs on a regular basis. The answer also discloses that there have not been any occasions covered by this answer when Mr Harley has absented himself from discussions of the council. But that does not mean that there was any direct conflict of interest.

Senator CARR—Minister, are you satisfied that that is in fact the case?

Senator Ian Campbell—Well, all of that is on the record. From a brief perusal of the answer that has already been provided to the parliament almost exactly a week ago, it shows that it is a regular and sensible action taken not only by Mr Harley but a range of other members of the council.

Senator CARR—I referred specifically, Senator Campbell, to section 10 of the act, which requires the minister to be satisfied with regard to conflicts of interest. Are you satisfied that a mere declaration of a conflict of interest rather than absenting oneself is sufficient when considering matters where there is a direct or indirect financial interest?

Senator Ian Campbell—It would entirely depend on the circumstances of the individual and the matter before the council.

Senator CARR—So have you satisfied yourself that this is the case with this?

Senator Ian Campbell—I have not been called upon to do that at this stage. Are you calling upon me to do that?

Senator CARR—Yes. I would like you to look at that. Is this the same Mr Harley that was named in media reports concerning the AWB scandal?

Senator Ian Campbell—The issue of the Burrup is one I have discussed.

Senator CARR—Is this the same Mr Harley that is involved with the AWB?

Senator Ian Campbell—This is the proposed heritage listing of the Burrup which the state government is lobbying me to oppose. You would be aware of this, wouldn't you?

Senator RONALDSON—Mr Chairman, Senator Carr is prosecuting the case with innuendo. That is about as far as he has gone. Where are some examples of where his business interests have compromised his heritage role? Easy on the innuendo. You give us some examples where there has been that compromise. Otherwise this is a totally inappropriate set of questions. It is just constant muckraking.

Senator CARR—Has the department—

Senator RONALDSON—Prosecute your case with evidence.

Senator CARR—monitored the Cole inquiry in relation to the evidence given relating to Mr Harley?

Senator Ian Campbell—I hope not.

Senator RONALDSON—Why would this be acceptable in this estimates?

CHAIR—It is really not, Senator Carr. It is really not acceptable.

Senator CARR—What is not acceptable about the question? What in particular is not acceptable?

CHAIR—What is the relation to the heritage issues?

Senator CARR—I asked whether the department has monitored the Cole royal commission in relation to Mr Harley, who happens to be the chair of the Heritage Commission. I asked a simple question.

Senator Ian Campbell—The answer is no.

Senator RONALDSON—How is this relevant to additional estimates?

Senator CARR—I beg your pardon?

Senator RONALDSON—How is it possibly relevant to the matters we are discussing? They are either the minister's responsibilities or the department's responsibilities. How can that possibly be relevant?

Senator Ian Campbell—It is Senator Carr at work. We know what he does when he goes to work.

Senator CARR—Thank you very much.

Senator Ian Campbell—Ultimately the people who write the history of this place will judge Mr Harley and Senator Carr and see who gave the greater contribution to Australia. I know where I would put my money.

Senator CARR—Can I ask—

Senator Ian Campbell—I think we should look at a heritage listing of Senator Carr's house as a monument to Australian hypocrisy. He is telling everyone in Australia they cannot have big blocks or big houses and he lives in one of the biggest houses in Melbourne. It would be a good thing for Senator Ronaldson to get the Heritage Council to have a look at Senator Carr's house.

Senator RONALDSON—I do not want to be anywhere near his house.

Senator JOYCE—I have a small house.

Senator CARR—Have you got anything else to add, Senator Campbell? Get it all out of your system.

Senator Ian Campbell—If you want to play a bit of politics, we will play it too.

Senator CARR—Get it right out of your system.

Senator Ian Campbell—Next question, please, Mr Chairman.

Senator CARR—It is a straightforward question. You find it difficult.

CHAIR—Move on, Senator Carr.

Senator Ian Campbell—They are not straightforward questions. It is a series of statements designed to attack a character. If you want to play that game, bowl up another question and we will bowl back the answer.

Senator CARR—What is the current status of the National Heritage List?

Senator Ian Campbell—It is 23.

Mr Burnett—It is 24.

Senator CARR—There are 24 on the list?

Mr Burnett—Yes, Senator.

Senator CARR—And how many places have been rejected?

Mr Burnett—Twenty-four.

Senator CARR—Have been rejected?

Mr Burnett—Yes. It is the same number.

Senator CARR—And how many places have had the nomination period of 12 months extended?

Mr Burnett—I will ask Mr Bailey to answer that question.

Mr Bailey—The minister has granted extensions on 35 occasions.

Senator CARR—Can we have a list of those?

Mr Bailey—I would have to take that on notice.

Senator CARR—Could I have a list of the 24 that are on the heritage list and the 24 that have been rejected?

Mr Burnett—Certainly, Senator.

Senator CARR—Thank you. Minister, is it 26 months since the new heritage regime came into place?

Mr Burnett—It was 1 January 2004.

Senator Ian Campbell—That is good maths, yes.

Senator CARR—Why have not all the World Heritage properties been placed on the National Heritage List?

Mr Burnett—We did canvass this in a previous hearing. It was because there was a—

Senator Ian Campbell—Why don't we just refer the senator to the answer we have given previously on this? It has been well explained to the committee. It is on the record.

Senator CARR—So when will the others be listed?

Senator Ian Campbell—Well, I think when the amendments to the EPBC go through. They will be listed very shortly after they have received royal assent.

Senator CARR—So we will have to wait until the winter session before that legislation is seen?

Senator Ian Campbell—Yes. That answer is on the record as well.

Senator CARR—Would it be fair to say that there is now emerging a backlog in administering the National Heritage List?

Senator Ian Campbell—I think the backlog is effectively, on my best advice, in order. There was a backlog, but I think we are in good condition now, are we not, Mr Bailey?

Mr Bailey—That is correct, Minister. We have completed over 50 assessments. We currently have in front of us another 71 assessments that we are undertaking.

Senator CARR—I did not quite catch that. Was that 71?

Mr Bailey—In front of us, yes. They are programmed.

Senator CARR—When do you anticipate getting through that 71?

Mr Bailey—The program is set for the next 12 to 18 months, having worked with the Australian Heritage Council on setting their work plan.

Senator CARR—Thank you. Finally, I return to the department's annual report of 2002-03 and the \$30,000 to The Distillery. Can you confirm that The Distillery specialises in security and law enforcement information technology?

Mr Burnett—We will take that on notice.

Senator CARR—I presume in that process you can explain to me what connections they have with heritage. It could well be that it is part of your Interpol work, but I would be interested to know what the records show on that matter. Thank you very much.

Senator SIEWERT—I would like to ask about some World Heritage areas. One is about the Shark Bay World Heritage area. Has the management plan for the Shark Bay World Heritage area been finalised?

Mr Bailey—The Shark Bay World Heritage area has a number of management plans associated with the different land tenures.

Senator SIEWERT—I am very familiar with the Shark Bay World Heritage area. What has been on the cards, as I understand it—

Mr Bailey—The strategic plan for Shark Bay?

Senator SIEWERT—is the strategic plan, which is commonly called the management plan as well.

Mr Bailey—That is right.

Senator SIEWERT—Has that been finalised?

Mr Bailey—It has not been finalised. It is still in the finalisation stage with the Western Australian government.

Senator SIEWERT—What is the hold-up? The area was nominated in 1991 or 1992 and that plan has been in draft form, as far as I am aware, for at least five years, if not longer.

Mr Bailey—We might have to clarify that and take it on notice.

Senator SIEWERT—When you are taking that on notice, can you tell me how close it is to finalisation and what are the hold-ups. It has been, I am sure, longer than five years. I am aware that there were some issues with regard to mining and the Commonwealth requiring WA to deal with some mining issues. I fully support the Commonwealth, if that is still the position they are taking. But I would like to know why it is still being held up. My next issue is Ningaloo. I understand that the Western Australian government released a draft plan today for consultation. Have they forwarded it to the Commonwealth?

Mr Burnett—Not that I am aware of, Senator. It may have come into our office without my knowledge, but I have not seen it. That is very recent news.

Senator Ian Campbell—It was today?

Senator SIEWERT—It was today, yes. But I also understand that the Commonwealth has been taking an interest in Ningaloo for a number of years. Has the Commonwealth been working on or discussing this issue with Western Australia?

Senator Ian Campbell—I have told the outgoing minister, Judy Edwards, in a letter dated October that we do not want to at this stage progress the World Heritage listing of Ningaloo.

Senator SIEWERT—Can I ask why.

Senator Ian Campbell—I made it very clear in the letter. But the issue is to do with the treatment of the pastoral leaseholders along the coast, where the government unilaterally took away up to 50 per cent more of the Lefroy station. It took away most of the watering points and made it very, very hard for them to manage. I said that until we see what I would call justice for the Lefroy family, I do not want the Commonwealth involved in progressing that.

I do get mixed signals out of the WA government on heritage issues. I notice that when the Heritage Council received a community driven heritage application for Fremantle Harbour we had the state premier and the state planning minister, Allannah McTiernan, saying how dare the Commonwealth come in and do this. I have had senior ministers lobbying me to make sure we do not progress the listing for the Burrup. But when it comes to Ningaloo, they are saying, 'Could you please come in and list it.' I think the WA government has to get their act into gear.

When you are going about processes of listing, you have to engage the local community in a positive, constructive and genuine way. That is far from the case at Ningaloo. I will not be a party to progressing a World Heritage nomination unless I know there is genuine engagement at the community level. The way they have treated the pastoral landholders in that area is a disgrace. Until the government shows some indication that they are prepared to reengage the pastoralists in that community and to particularly return justice to the Lefroy family, who have been running the station in a sustainable way for over 100 years, I will not have any engagement in the process. Dr Edwards was informed of that.

The new minister has written to me today and has made no reference at all to the problems that I have raised. I think since Dr Edwards has left the portfolio, Mr McGowan—I think he is the new minister—has totally ignored the problems I have with the issue. Since I have alluded to the problems, it might be useful for the committee to understand them.

I think Senator Siewert has a longstanding interest in that part of the coast, as I do. I think it is a most magnificent part of the coast. I think it has phenomenal heritage values. It is very important that it receives proper protection. But the history of World Heritage in Australia has been sullied because governments, for short-term political benefit, go in and trample on the rights of local landholders in the name of getting a few preferences in an election and making big fellows of themselves with green groups. You cannot make World Heritage work as a concept if you go and trample over the rights of landholders. In this particular area, the way that the pastoral leaseholders have been treated is a disgrace. I am making it clear to the WA government that until they sort that out, re-engage and give justice to the Lefroy family, please do not waste my time and do not insult me. Mr McGowan has entirely ignored this letter.

Senator SIEWERT—Is that the letter you wrote?

Senator Ian Campbell—I wrote this letter.

Senator SIEWERT—Can you table it?

Senator Ian Campbell—Yes. I will table it now. I will get some copies made.

Senator SIEWERT—I am trying to understand which section you are talking about. Are you talking about the 50 metres that has been taken off the coast or something separate?

Senator Ian Campbell—No. They have actually refused to reissue the pastoral lease.

Senator SIEWERT—This is the 2015 renewal? You know how all the leases in WA are being rolled over in 2015. Are you referring to that?

Senator Ian Campbell—Yes. I will get the exact answer for you, but that is the issue that has been raised with me.

Senator JOYCE—The Lefroy family have been around Ningaloo reef, or around that area, for over 100 years?

CHAIR—Over 100.

Senator Ian Campbell—The station has been in the management of the Lefroy family, which is one of the pioneering families of Western Australia, for in excess of 100 years.

Senator JOYCE—Has the value of their land been affected by the impending World Heritage case against them?

Senator Ian Campbell—I think, Senator Joyce, that is a fair question. It is more, I think, what Senator Siewert has said, which is that the government has indicated they will not renew the lease. They will effectively excise roughly 50 per cent of the pastoral lease. The reason given, as I understand it, is that they are proposing to list this magnificent reef. It is a fantastic part of the Australian coast. For some reasons, they need to resume this because of the values on the coast. But the trouble with this station is that a great majority of the watering points—the bores—are in the areas being taken away from them by the state government.

Senator JOYCE—It sounds very familiar. I know that GBRMPA is not under ministerial control, so this question is not directed to you but to members of the department. With regard to engaging the local community, there have been a lot of problems in North Queensland with the Great Barrier Reef Marine Park Authority engaging commercial and recreational fishermen. Has your department been approached by many people out of frustration at not being able to contact the Great Barrier Reef Marine Park Authority or having any of their concerns properly entertained or dealt with? Have they approached for some mechanism to try to deal with the Great Barrier Reef Marine Park Authority? What I am asking is whether the frustration of not getting anywhere with them has led them to your door.

Mr Borthwick—A review of the future legislative and governance arrangements of the Great Barrier Reef Marine Park Authority is being undertaken by the government. I happen to be the chair of that review. It was an issue that Senator McLucas raised earlier in the proceedings. In the course of that review, a considerable number of recreational and commercial fishermen have made their views very clear about the Great Barrier Reef Marine Park Authority's actions. They have not done that confidentially. They have provided on the record submissions to the review process. The nature of the review is looking forward and seeing what governance arrangements might best apply to the marine park authority over the next 10, 20 and 30 years because the existing authority is 30 years old and it is time the government decided to look at its future operations.

Senator JOYCE—In your discussions and investigation so far—it may be that you have not come to a decision—have you found sustainable any of the claims of the commercial and recreational fishermen, who believe they had a sustainable reef and a sustainable process in place?

Mr Borthwick—I think that that conclusion should await the presentation of our report to government.

Senator JOYCE—Thank you.

CHAIR—We will now deal with the Industry, Communities and Energy Division. I believe Senator Carr has some questions.

Senator CARR—I certainly do, yes. What is the full title of the division?

Mr Sterland—Industry, Communities and Energy Division.

Senator CARR—What about International Land and Analysis? Is that all under the one division?

Mr Carruthers—The two divisions form the Australian Greenhouse Office.

Senator CARR—So you have two groups that form the one division. Do you deal with climate change as well, Mr Carruthers?

Mr Borthwick—Two divisions form the Australian Greenhouse Office.

CHAIR—Do you want both divisions here?

Senator CARR—No.

Mr Borthwick—I think there is a lot of synergy—

Senator CARR—There certainly is.

Mr Borthwick—in terms of them both being here together.

Senator CARR—I would like to ask some questions that relate to climate change issues. There was a *Four Corners* program on last night that I watched with some interest. Allegations were made about the silencing of CSIRO climate change scientists and the influence of significant industry players over the government's climate change policies. Is there anything the officers would like to say before I ask questions about their response to the program last night?

Senator RONALDSON—Responding to political matters?

CHAIR—Why not ask a question, Senator Carr.

Senator CARR—I just thought I would give the officers an opportunity to reflect.

CHAIR—That is just a trawling exercise.

Senator CARR—A trawling exercise—

CHAIR—It is.

Senator CARR—to ask the officers—

Senator Ian Campbell—Mr Chairman, I caught a glimpse of it in a short tea break during another committee hearing last night. From the questions I got asked, most of the allegations were made by former CSIRO scientists about internal CSIRO matters.

Senator CARR—No. There were actually two sections to the report. The first dealt with your department, Minister.

CHAIR—I presume the minister is saying it is not relevant to this committee.

Mr Borthwick—The first dealt with issues covered by our department, but by and large it did not make any inferences about our department.

Senator CARR—Is the department aware of any evidence that sea levels are rising?

Mr Borthwick—Yes. We have published material to that effect.

Senator Ian Campbell—And this department controls, I think, one of the most substantial sea level monitoring networks. I do not want to exaggerate, but we have comprehensive sea level monitoring equipment in the Pacific islands. I think the Bureau of Meteorology, who were not called to appear, actually do the monitoring. So we are well aware of the scientific effort and, in fact, contribute tens of millions of dollars a year to science in climate change. Sea level monitoring is part of it.

Mr Borthwick—In fact, we recently published a document called *Climate change science: questions answered*. One of the questions was whether sea levels will rise if the world heats up. I might quote in part from it:

Under global warming scenarios, sea levels are projected to rise between 9 and 88 cm between 1990 and 2100. This may have consequences for low-lying islands and coastal settlements throughout the world.

Senator CARR—So would it be fair to say that in the department's view there is scientific consensus around the question of rising sea levels?

Mr Borthwick—Yes.

Senator CARR—I am just interested to know, Minister, if that is the case—

Senator RONALDSON—You would have thought it likely there was, wouldn't you?

Senator CARR—Senator Ronaldson, did you have something to contribute?

Senator RONALDSON—I am talking to my colleague here, but I am happy to repeat it. I said it is amazing that you are the shadow minister but you have not seen the report. I was just asking Senator Joyce whether you were the shadow minister.

Senator Ian Campbell—No. The report was actually issued this year. Senator Carr tends to concentrate on 2002. He is still sort of catching up.

Senator CARR—Thank you. Perhaps I could catch up with your comments on 6 January, then, Minister, this year, when you spoke—

Senator RONALDSON—I am happy to.

Senator CARR—I was not speaking to you. Senator Campbell, you were quoted as saying that in relation to the rising sea level you spoke to the head of the Australian Greenhouse Office and he said:

... in terms of sea level rise and the impacts on Tuvalu, in particular, but the Pacific in general...the jury is really out. Saying that we're going to evacuate them is very premature—let's hope it never happens.

Do you still maintain the view, Minister, that the jury is out on the question of rising sea levels?

Senator Ian Campbell—I stand by what the document has said. The science says that under global warming scenarios 'sea levels are projected to rise between nine and 88 centimetres over a period of 110 years'. As to the impact on Tuvalu or other areas in the Pacific, the jury is very much out. Sea levels are rising. Some atolls are actually sinking.

I am happy for the head of the Australian Greenhouse Office to correct me here because I seek and value his advice regularly. In the case of, for example, the Marshall Islands, which I visited, there is a debate going on as to whether the natural rate of sinking of the atoll is a more serious effect than the potential rise of the sea as a result of global warming. But in Tuvalu and many of these countries, including the Marshall Islands and countries around Papua New Guinea right throughout the Pacific, sea level rise is a serious issue.

The government's response is different to the Australian Labor Party's response. Ours is to spend tens of millions of dollars trying to get the science right, trying to work with the Pacific islands in terms of mitigation and adaptation. The Labor Party released a policy, I think perhaps to prop up Bob Sercombe's preselection problems in Victoria, on 6 January. It was an important day. It was the first time in 10 years the Labor Party has released any new policy on climate change. They released it on 6 January. Their policy was to evacuate the Pacific islands. It was not to work with the islanders on adaptation. It was not to do more science. It was to say, 'Right, we should evacuate the Pacific islands.' I thought it was a head in the sand policy.

Senator RONALDSON—Sounds like the Left in Victoria.

Senator Ian Campbell—It ignores the wishes of the Pacific island nations. They have worked very successfully with Australia on these issues and many environmental issues for many years. Of the Pacific islanders I have had the great pleasure of meeting, virtually every man, woman and child wants to stay on their island. Our policy is to try to help them do that.

Senator JOYCE—I would not mind staying there myself.

Senator CARR—I will come back to the question, Minister.

Senator Ian Campbell—Well, that is the answer.

Senator CARR—Did you say that the jury was still out on the question of rising sea levels?

Senator Ian Campbell—The jury is out as to how much sea levels will rise on a whole range of these different islands.

Senator CARR—Is that what you meant? So you were misquoted, were you?

Senator Ian Campbell—Well, I was quoted out of context. I have spoken quite a lot about the issue.

Senator CARR—I understood your officers were saying that there was a scientific consensus. I am reading reports that you are saying the jury is still out on this issue. I am just trying to work out how to explain the difference. It is huge.

Senator Ian Campbell—Well, I do not think there is any difference. It is about the amount of sea level rise and the impact on individual Pacific island nations. The science says, and my department says, that the projected rise is somewhere between nine centimetres, which is not a lot, and 88 centimetres, which I regard as a lot. Some people are saying sea levels will rise by five or eight metres. The department could just as easily have written sea level rises of five metres. Perhaps the head of the Greenhouse Office can tell you what he thinks. I say that scientists and experts should put their information out there in the public on greenhouse. I have been doing that since I became the minister in July.

I think we should have a fair dinkum debate in this country on the science, the scenarios, the impacts and the need for adaptation. I think the debate was too confined in the past. Labor used to say, ‘Oh, we’ll sign Kyoto and the problem will go away.’ We know that is not a fact. That is the only policy they have had for 10 years. They have a new one now. That is to evacuate the Pacific and bring all the people from the Pacific into the suburbs of Brisbane, Sydney and Melbourne, maybe even Perth. That is their policy now. I want to have an informed debate about consequences, not scaremongering and not kidding people that signing Kyoto will solve the problem.

Mr Bamsey—There are just a couple of points, perhaps, to elaborate on the position regarding sea level rise in the Pacific. I will quickly say I am not a scientist. As I understand it, there is no question that the sea level is rising, as you and the minister have both pointed out. But there is some regional variation in the degree to which and the rapidity with which the sea level is rising around the globe. In the Pacific, the records we have been taking or the gauges we have used to record changes in sea level have been in place for only about 14 years. That is not very long in terms of trying to measure the sea level rise. The situation just is not as clear as it is in places where we have had records for over much longer periods. That said, I think there is no question that the Pacific island countries are amongst the most vulnerable countries in the world to the impacts of climate change, including as well as sea level rise the growing intensity of tropical storms.

Senator CARR—Dr Barrie Pittock was the author of the 2003 greenhouse—

Mr Bamsey—He is the editor.

Senator CARR—The editor. He was the editor of the 2003 report. When was that commissioned?

Mr Bamsey—My recollection is that it was commissioned some time before that, perhaps about a year before that. It took some time to put together.

Senator CARR—Who was it commissioned by?

Mr Bamsey—It was commissioned by the Australian Greenhouse Office.

Senator CARR—Was there an editorial committee that worked with Dr Pittock?

Mr Bamsey—I will ask Mr Carruthers to clarify this. I do not believe there was an editorial committee. Each of us took a close interest in the work. For example, I read it cover

to cover a couple of times, I think. We were concerned to see that the product was the best possible one. We were very proud of the result. We think it is an excellent work. It was the only collection of that sort of science that was new since the third assessment report of the IPCC that was available. The then minister launched it at the conference of parties to the climate convention. It attracted a great deal of interest and commentary. Indeed, we have a copy with us if you would care to read it. I commend it to you.

Senator CARR—I would be delighted if you would table a copy of the report. Dr Pittock—

Senator Ian Campbell—It knocks away one leg of the three-legged stool on *Four Corners* last night.

Senator CARR—What were the three legs?

Senator IAN CAMPBELL—There were three allegations by three scientists. It knocks away one of the allegations.

Senator CARR—He said, ‘But I was expressly told not to talk about mitigation, not to talk about how you might reduce greenhouse gases.’ Is that an accurate quote, do you think, from the report last night?

Mr Bamsey—I think it probably was an accurate quote from the report.

Senator CARR—So you are aware that that is the claim he made on camera last night?

Mr Bamsey—Yes.

Senator CARR—Are you able to advise the committee as to who gagged him?

Mr Bamsey—No, I am not.

CHAIR—This is just a bit of a trawl.

Mr Bamsey—It was a report about climate change science and what we knew of the new science at the time. It was not a report about mitigation. I do not know if anyone did tell him that and who it was that told him and the words they used. But it is quite natural that if you are doing a report on one thing, that is what you are doing your report on, not on something else. It was not intended to be a comprehensive review of every possible approach to climate change or everything we knew about climate change. We set out with a very specific task, where we thought there was a gap globally. We believe that we helped fill it.

Senator CARR—So Dr Pittock expressly stated that view, that he was told not to talk about these matters. He was the editor of the report. Who was the writer of this report? He was editing someone else’s work, was he?

Mr Bamsey—Contributions were from a number of I think mainly Australian scientists.

Senator CARR—I do not have a copy of the document with me here. Who are the other contributors?

Mr Carruthers—Senator, there is a whole page of major contributors, including from places such as Griffith University and various other universities, CSIRO, the Bureau of Meteorology and so on. They are prestigious people, as indeed is Dr Barrie Pittock. There is then a whole series of other contributors, again from a whole range of institutes. Dr Pittock’s

role was really to coordinate and edit this task. Perhaps I should explain the background. Dr Pittock is an eminent international scientist in the area of particularly climate change impacts. Indeed, he was the co-lead author for the Intergovernmental Panel on Climate Change's working group report in the year 2001 and the chapter that dealt with Australia and New Zealand climate change impacts. When we wanted to commission a report on climate change science and impacts of climate change, we saw Dr Pittock as a particularly eminent person to do that.

As Mr Bamsey has explained, we were not seeking to commission a report on emissions technologies. We would have gone to a different set of scientists with competence in that area if we were choosing to do that. We had a focus on climate change science and updating the work of the IPCC in 2001 and making it accessible to Australians in a way that the IPCC report is not as accessible.

Senator CARR—So was there a discussion with Dr Pittock directed at advising him that this report was not about mitigation?

Mr Carruthers—The scope of the brief was quite explicit on that. That was agreed with CSIRO.

Senator CARR—With CSIRO?

Mr Carruthers—Yes.

Senator CARR—At what point was it made clear to Dr Pittock that he had exceeded his brief?

Mr Bamsey—I do not think he did. I think he did an excellent job. Let me put on record that the product of his work is first-rate.

Senator CARR—I am pleased to hear that. He clearly believes that he was told not to talk about mitigation. You have indicated that there was a different view within the department as to what the report was about. It was about impacts, not about mitigation. That was the thrust of your evidence.

Mr Carruthers—That was agreed by all the parties, both at the outset by the department and by CSIRO and Dr Pittock.

Senator CARR—I am interested to know. Mr Carruthers, you were with the office at the time?

Mr Carruthers—Yes.

Senator CARR—Did you hold a similar position to the one you do now?

Mr Carruthers—Yes.

Senator CARR—So you are in a position to know whether or not there were discussions with Dr Pittock?

Mr Carruthers—Yes.

Senator CARR—Is it your view that there was a discussion with the officer of the Greenhouse Office, where he was expressly told not to talk about mitigation and not to talk about how you might reduce greenhouse gases?

Mr Carruthers—That was made clear in the exchanges in the finalisation of the brief for the exercise and was documented in the brief that all the parties signed off on in commencing the project.

Senator CARR—Mr Carruthers, were you the officer that advised Dr Pittock that he was not to talk about how to reduce greenhouse gases in this report?

Mr Carruthers—I did not do that personally, but officers in my division did handle the process of commencement of that project. I would not express it, as is imputed by the question, that there was some kind of directive or instruction. This was an agreed brief for an agreed consultancy.

Senator RONALDSON—Prior to the commencement of it.

Mr Carruthers—Prior to the commencement. Correct, Senator.

Senator CARR—So your view was there was no discussion with Dr Pittock expressly telling him that he was not to talk about mitigation and not to talk about how we might reduce greenhouse gases?

Senator JOYCE—Not to talk about the coal industry.

Senator CARR—Senator Joyce, this is a serious question.

Senator Ian Campbell—Why don't we table a copy of the book?

Senator CARR—Well, we have already asked for that.

Senator Ian Campbell—It was released before Christmas.

Senator CARR—We have already asked for that.

Senator Ian Campbell—Sorry, I know it upsets your line of questioning, but Senator Joyce made a good interjection. It does not talk about horseracing either. If the editor wanted to come along and say, 'Look, I want to put a chapter in on horseracing', we would say, 'Sorry, we're trying to write a book and it is called the *Australian guide to the science and potential impacts of climate change*.' You could write a book 20 times as thick as that—20 volumes—on mitigation. It is a life and death subject. It is a critical issue for the planet, but it is not covered in a title called *Climate change: an Australian guide to the science and potential impacts*. I understand the potential impacts in the Pacific. I understand the potential impacts at Maroochydore or at Coffs Harbour, Sydney Harbour or in the Yarra. They are all important things for the world and for Australia, and that is what this book is about. It is a leading book with great Australian minds contributing to it. But it is not about horseracing and it is not about mitigation.

Senator CARR—Thank you for that advice. Mr Carruthers, I asked a specific question.

CHAIR—Do you wish him to table it, Senator?

Senator CARR—I asked a specific question.

Senator Ian Campbell—We will make copies available to each member of the committee and any other members who want it.

Senator CARR—Thank you. I asked a specific question—

Senator Ian Campbell—I should probably do that when I launch them.

Senator CARR—Mr Carruthers, you are saying that you did not discuss with Dr Barrie Pittock or expressly tell him not to talk about mitigation and not to talk about how you might reduce greenhouse gases?

Mr Carruthers—I said that I personally did not discuss it with Dr Pittock but that the relevant officers in my division who were responsible for drawing up the brief for this project did have discussions with CSIRO and Dr Pittock over the final terms of the brief. It was important in commencing this project, and any other project, that the agency commissioning the project and the agency supplying, in this case, the scientific services have a very clear understanding of the project which they were embarking on. That is an important part of the success of the project.

Senator RONALDSON—Senator Carr is imputing improper motives, which clearly is not the case in this situation. It is clearly not the case.

Senator McLUCAS—I do not think he is, Senator Ronaldson.

Senator RONALDSON—Well, I think he is.

Senator McLUCAS—I wouldn't mind asking a question as well.

Senator CARR—I am interested in establishing at what point, Mr Carruthers, other officers in your division discussed with Dr Pittock that he was not to talk about mitigation and he was not to talk about how we might reduce greenhouse gases.

Mr Carruthers—The terms of the brief were the subject of an exchange between the Australian Greenhouse Office—

Senator IAN CAMPBELL—Why don't we table the terms of the brief? That makes it clear.

Mr Carruthers—and the CSIRO between November 2002—

Senator CARR—I would be delighted if you would table the terms of the brief.

Mr Carruthers—and January 2003.

Senator IAN CAMPBELL—It is a contract. Quite often governments go to the CSIRO and say, 'Here is some work.' Was the contract with CSIRO or just Dr Pittock?

Mr Bamsey—I think Dr Pittock had in fact just retired from the CSIRO at the time he undertook this task for us. But as Mr Carruthers said, the task we had in mind at this point was not about mitigation. It was about the science. I think everybody understood that. We have done things on mitigation. We are not being coy about that. It is just that that was not the task we were embarked on at this venture.

Senator CARR—The report last night also heard that respected scientist Dr Kevin Hennessy could not or would not comment on whether climate change would lead to more environmental refugees. Were you aware of that? Did you see that segment of the report?

Mr Bamsey—I did.

Senator JOYCE—That is speculation. 'Could not' I think is the answer.

Senator McLUCAS—Did you see it, Senator Joyce? If not, get back in your box.

Senator RONALDSON—Well, that is not the issue. It is whether it is relevant to this discussion or not.

CHAIR—They are just interpretive words.

Senator JOYCE—I was at work here. I was at Senate estimates all night.

Senator CARR—Thank you, Senator Joyce. You probably do not remember.

Senator IAN CAMPBELL—Mr Chairman, to get rid of the second leg of the tri-legged stool, the book specifically refers to the impacts on the Pacific islands.

Senator CARR—I have been asking you about mitigation for the last half hour.

Senator IAN CAMPBELL—You have just moved on to—

Senator CARR—You are trying—

Senator IAN CAMPBELL—No, no, no.

Senator CARR—your desperate best to avoid the direct questions.

Senator IAN CAMPBELL—The question before the chair and the question before me is whether another scientist was told not to talk about the potential impacts on the Pacific islands and the impacts on potential refugees. The book at pages 155 and 178 quite specifically refers to those areas.

Senator McLUCAS—Did Dr Hennessy write that chapter?

Senator RONALDSON—Does that mean Senator Carr has not read this?

Senator JOYCE—No.

Senator RONALDSON—That couldn't be the situation, could it?

Senator McLUCAS—Minister, did Dr Hennessy write that chapter?

Senator Ian Campbell—I do not know whether he wrote that chapter, but he contributed to the book.

Senator McLUCAS—Did he that write that chapter? I am trying to actually facilitate.

Senator Ian Campbell—Here we are. Can I say what is written in the book?

Senator McLUCAS—So the answer is no?

Senator Ian Campbell—What is written in the book—

Senator McLUCAS—The answer is no.

Senator Ian Campbell—The accusation is that the government did not want reference to refugees from the Pacific islands in this document. I will quote from halfway down the last paragraph on page 155:

The number of people exposed to flooding due to sea level rise in Australia is predicted to approximately double in the next 50 years, although absolute numbers would still be low. For the rest of the Pacific region, however, the number of people who experience flood by the 2050s could increase by a factor of more than 50 to between 60,000 and 90,000 in an average year.

On *Four Corners* last night the government was accused of heavying people to hide the truth. So here is a government publication launched by the environment minister just before

Christmas, before I went to Montreal, saying that by the year 2050 this could increase by a factor of more than 50 to between 60,000 and 90,000 in an average year. It continues:

As well as the impact of flooding on settlements, the impact of sea level rise on fresh water quality and quantity is likely to be a critical threat to Pacific island health and welfare.

Senator RONALDSON—Senator Carr should have been reading the book instead of watching *Four Corners*.

Senator Ian Campbell—They go on to say:

Vulnerability in the Pacific islands could impinge indirectly on Australia—

Senator RONALDSON—How embarrassing is this!

Senator Ian Campbell—It continues:

... through our external relations and aid programs.

CHAIR—That is bad, Senator Carr. You should not come and ask questions when you have not read the book.

Senator Ian Campbell—It is not a publication of a government that is trying to hide the truth regarding the potential impacts on the Pacific.

Senator CARR—Thank you, Minister, for your advice about that matter.

Senator RONALDSON—You should have stopped flogging the horse five minutes ago.

Senator CARR—I return now to the question. On last night's program, Dr Kevin Hennessy was asked:

Some scientists believe that there'll be more environmental refugees. Is that a possibility?

He was asked that question. He said:

I can't really comment on that.

The reporter said:

Why can't you comment on that?

Dr Hennessy said:

No, I can't comment on that.

The reporter said:

Is that part of editorial policy?

Dr Hennessy said:

No, I can't comment on that.

The reporter said:

Can I just ask you why you can't comment?

Dr Hennessy said:

Not on camera.

The reporter said:

But is it a policy thing?

Dr Hennessy said:

I can't comment on that.

Senator Ian Campbell—Then go on to what he said. There is a bit more, I think.

Senator CARR—It then goes on to say:

And, so it goes, a culture of fear.

Senator Ian Campbell—No. That is the editorial of the ABC reporter. What does Dr Hennessy say?

Senator CARR—That is the direct transcript.

Senator Ian Campbell—What does Dr Hennessy say after that? He then gave the reasons. You do not want to know the reasons. But what did Dr Hennessy say after that?

Senator CARR—What is the reason, Minister?

Senator Ian Campbell—I will read to you what Dr Hennessy said because you do not want to.

Senator JOYCE—It is not a good day in the office!

Senator Ian Campbell—He says:

Certainly, environmental refugees does impact on government policy. The sort of thing that I could say as a scientist, is that with sea level rise there may be people inundated in places like Tuvalu in the Pacific. And that would be an issue that needs to be considered by government policy. But I certainly can't go beyond that as a scientist.

You could, as a policymaker on refugee policy. You are a Labor Party policymaker. You have a policy that says, 'We are going to have refugees. Australia should accept them. Our policy in the Pacific is to have the Pacific islanders moved out of the Pacific immediately and shifted into the suburbs of Brisbane, Sydney and Melbourne.' But this is a scientist who says, 'I am a scientist. I am not an expert on refugee policy or immigration policy. I don't work for the immigration department. I don't work for the United Nations commission on refugees. I'm a scientist. My expertise is climate change.' He can say, 'Places will be inundated. This could have an effect in terms of government policy, but I'm a scientist and I'm not going to go beyond what I know as a scientist.'

Senator CARR—What I would like to know, Minister—

Senator Ian Campbell—His name—

Senator CARR—Minister, have you done any inquiry at all following the *Four Corners* program as to whether or not Dr Barrie Pittcock was gagged by officers of the Greenhouse Office in your department?

Senator RONALDSON—This horse has been dead for about 15 minutes. There is no point flogging it.

Senator CARR—Have you undertaken any inquiries?

CHAIR—You have been told several times.

Senator RONALDSON—It has not moved for 10 minutes.

Senator Ian Campbell—I think *Four Corners* have tried for three months to do an inquiry and came up with a damp squib and a dud program.

Senator CARR—I take it, Minister, the answer is no?

Senator JOYCE—I would not waste my time. It is probably in the book.

Senator Ian Campbell—Just read the book. It was released in December. It is edited by Dr Pittock. It is an extremely good book that I actually chose to launch.

CHAIR—We are due to have a scheduled break at 9.30 pm. Would you like to take that break?

Senator McLUCAS—I probably need five minutes to deal with this issue that I would like to pursue.

CHAIR—All right. We will continue until 9.30 pm.

Senator McLUCAS—Thank you. I was wondering if the Australian Greenhouse Office has done any research on the impacts of climate change not on the people of Tuvalu but on Australian citizens who live in the Torres Strait.

Mr Bamsey—I am not aware that we have any specific information. We may well have because, as I think you know, we commissioned a report on risks and vulnerabilities nationwide, which was published last year. I am really wondering whether Mr Carruthers can recall if there was anything specific on the Torres Strait in that report. If not, we can certainly take that on notice and get back to you.

Senator McLUCAS—This book is telling us that between 60,000 and 90,000 people in Australia will be displaced.

Senator Ian Campbell—No. That is in the Pacific.

Senator McLUCAS—That is very interesting for my constituents who live in the Torres Strait. I do not know if you have been there.

Mr Bamsey—I have.

Senator McLUCAS—If you have been to Saibai Island or Boigu Island—

Mr Bamsey—I have.

Senator McLUCAS—you would recognise that an increase of nine centimetres will significantly impact on those people. I was wondering if either the book the minister launched or the risk and vulnerabilities report can give me any indication of what you think might happen to the people of the Torres Strait.

Mr Bamsey—It is a very reasonable question. Since we do not have the specific information here, we will look at what we have done. We will get back to you on that.

Senator CARR—While you are there, can you look at what is happening in the Cocos (Keeling) Islands as well?

Mr Bamsey—Certainly.

Senator CARR—Because I think a similar set of concerns arise there, particularly in relation to fresh drinking water.

Mr Bamsey—I should just say, though, that one of the problems we work with is that the way scientists arrive at an assessment of impacts is essentially to downscale global models and to use models which, in that mode, are not at this stage very precise. It is very difficult in two dimensions. One is to be sure that the impacts that are projected are certain—in fact, you cannot be certain—and the other—

Senator McLUCAS—But we are certain that there is going to be—

Mr Bamsey—Yes. And the other, though, is to define the impacts geographically with a high level of precision. I just mention those two caveats because when we go and look at the work that has been done, we may not be able to provide you with specific detail on what is projected to be the impact of climate change in those two places.

Senator McLUCAS—I think you would agree, though, that the projections that we talked about earlier—between nine and 88 centimetres between now and 2100—have been seen by some scientists as conservative. There are some scientists saying it is going to be much more significant than that. But even on those figures, I suggest to you that the people of Boigu and Saibai and Coconut Island, to name three islands, are at extraordinary risk.

Mr Bamsey—Certainly very vulnerable.

Senator McLUCAS—Even at the very lowest predicted increase in sea levels, the first two islands in particular are at extraordinary risk. I am astonished that we have the book. It is talking about the impacts in the Pacific. That is very important and we should be spending a lot of effort looking there. But these are our citizens in the Torres Strait.

Mr Bamsey—Indeed.

Senator McLUCAS—We should be able to provide them with good data on what can be predicted.

Mr Bamsey—We may well have some data. We may well have tidal gauges in place. I simply do not know. We will look at it.

Senator McLUCAS—When you look for that data, I would also be interested in what I have perceived over the last 20 years of visiting the Torres Strait, and that is an increased complaint level of people talking about increased erosion. Many of the people on the islands of the Torres Strait talk to me far more regularly than they used to 10 years ago about erosion levels. I would be interested to know if the office has done any work on assessing their concerns and whether or not there is a link between increased erosion of the sand around those islands and increased water levels.

Senator RONALDSON—Where is the erosion?

Senator McLUCAS—The Torres Strait is the channel between the Pacific Ocean and essentially the Indian Ocean, eventually. The tidal rate through there is very high, so there is a lot of tidal movement. Erosion is always an issue.

Senator RONALDSON—It is sand or beach erosion, is it?

Senator McLUCAS—Yes, sand around the island. And to the northern part it is not sand but mud.

Senator JOYCE—With regard to the Cocos (Keeling) Islands, it is the water lens that they have the problem with there. It is the rain. What is happening there is that the lagoon is actually filling up with sand quite substantially.

Senator CARR—There was a recent hearing of the joint standing committee dealing with future governance of the Indian Ocean territories. In particular, a submission was received by the Cocos (Keeling) Islands Economic Development Association, which argued this case very strongly. They pointed out there was a minimum width required of 400 metres to sustain a permanent water supply on those islands. Hundreds of Australian citizens are directly threatened, according to the submissions we are receiving. I would be interested to know whether the Greenhouse Office has undertaken any research modelling on global warming and sea level change in relation to Australian territories in the Indian Ocean, particularly the Cocos. Is the department aware of the local concerns about these matters, particularly with regard to fresh water supplies?

CHAIR—Do you want to go on with this question or do you wish to take a break?

Senator CARR—I have many other questions that go to this area, so if you wish to take a break, it would be appropriate to do so now because we will be here for quite a while.

Senator Ian Campbell—Mr Chairman, on pages 90, 91 and onwards there is significant reference to Cairns and the Great Barrier Reef region, which I know is of interest to Senator McLucas, in that vulnerability report which I released last year.

Proceedings suspended from 9.33 pm to 9.45 pm

Senator CARR—Minister, last night on the *Four Corners* program former Liberal staffer and industry lobbyist Dr Guy Pearse said that as part of his PhD research he conducted a series of extensive interviews with coal industry lobbyists. Some of them call themselves the greenhouse mafia.

Senator Ian Campbell—With what industry lobbyists?

Senator CARR—Coal industry lobbyists.

Senator Ian Campbell—Yes. I was told that.

Senator CARR—They were people who claimed they had access to cabinet briefings and written cabinet submissions, although they were actually sourced in the government departments. Do you maintain your view that this was just a question of boasting?

Senator Ian Campbell—My trouble is I was not exposed to the allegations when I did the interview. I am not making excuses. I was asked a series of questions by a lady from the ABC in a hypothetical format. I was not told that Dr Pearse had made the allegations. I can say that Mr Mark O'Neill, who is the executive director of the Australian Coal Association, issued a statement this morning, which I have been handed. Mr O'Neill said he had never participated in any such meeting and had never heard of Dr Pearse. He said:

If I was not present at the meeting, then it is unlikely that anyone from the coal industry was.

He goes on:

I challenge Dr. Pearse to name any coal industry representative who attended the allegedly taped meeting, who claimed special access to government, membership of any so-called 'Greenhouse Mafia' or claimed to have access to, or helped write, any cabinet documents.

Senator CARR—So you take up that suggestion that Dr Pearse should name those persons?

Senator Ian Campbell—I think, if he is saying industry is involved in some sort of inappropriate activity, it would do the credibility of the program and the person making the allegation good to say who was there. To call it the greenhouse mafia is good television, I guess. If you are saying the coal industry was there, say who it was in the coal industry. The head of the coal industry was saying he was not there and, to the best of his knowledge, no member of the coal industry was.

Senator CARR—So you maintain these events did not occur?

Senator Ian Campbell—I know Dr Pearse. I have met with him a couple of times this year. I think he is a very bright young fellow. He is employed by a lobbyist that lists as the projects it will undertake for clients the following: changing government policy, obtaining legislative amendments, securing government funding for support for projects, obtaining environmental and other approvals, and correcting harmful misconceptions within a government. I think Dr Pearse has told me he was acting for the Australian Conservation Foundation to try to seek to repair their relationship with me.

Senator CARR—Money well spent, is it?

Senator Ian Campbell—I like to work with all those organisations and treat them as I find them.

Senator CARR—So how long was he—

Senator Ian Campbell—In some cases, the AEC has also accepted contracts from government to directly assist in the policy-making process or to assist one level of government influence another. It sounds like Dr Pearse is employed by an organisation that does exactly what he is accusing this group of people whom he has not named. I was on a panel with Mr O'Neill. I apologise to him: I am not sure whether I met Mr O'Neill; I may have and do not recall it. I did see him on a panel I was on for SBS and the *Insight* program. I think it is going to air on February 28. Mr O'Neill was on that panel, and I have to say he was an impressive contributor. When the head of the Coal Association says he has not done this and was not at the meeting, I would accept his word for it.

Senator CARR—So Dr Pearse was an employee of the government for a number of years?

Senator Ian Campbell—I have known Guy since he was in the Townsville branch of the Young Liberals. As I said, I think he is a bright young bloke. He has a good head on his shoulders. He is passionate about this policy area. I remember him working for Senator Ian Macdonald, a distinguished coalition senator and former minister for many years in those days. I think he did some consultancy type work in Senator Robert Hill's office at some stage.

Senator CARR—Was he not a speech writer for the former minister—

Senator Ian Campbell—He may well have been.

Senator CARR—for a number of years? Is there anyone here who can advise me on that?

Senator Ian Campbell—I saw him around the building a lot.

Senator CARR—It was for a number of years; it was not just a casual acquaintance with the department?

Mr Borthwick—No. He worked for Senator Hill, I think, for the period that you mentioned—a number of years, yes.

Senator CARR—So he had some intimate knowledge of the department, you would expect, as a result of that position?

Mr Borthwick—Indeed, yes.

Senator CARR—And he has undertaken a PhD on this issue?

Mr Borthwick—That was after he ceased working for Senator Hill, I think.

Senator Ian Campbell—As Guy explained it to me over a pizza one night, his PhD was in fact on the interaction between industry and government on policy.

Senator CARR—Yes: the very issue that we are discussing here. Have you known him to be a man of integrity, Senator Campbell?

Senator Ian Campbell—I have not had enough to do with him. I have just found him a very bright, engaging young bloke. I have no reason to doubt his integrity.

Senator CARR—Yes. But you have reason to doubt—

Senator Ian Campbell—There are regular allegations that industry in this area has too much influence. The green groups and others say that the fossil fuel industry has a better shake in policy. The reality is quite the reverse. The renewables industry in Australia has had a far more substantial outcome under government greenhouse policy—financial support and programs like MRET. In terms of crude, cold hard cash going to an industry sector, the renewables energy sector, which I spend significantly more time with than I do with any people from fossil fuel industries, have very good access and substantial roles in policy development.

If you look at the \$1.8 billion the government is spending on greenhouse measures in the current period, the biggest chunk is reserved for the renewables industry. For most of the rest of it, they are able to get a slice based on greenhouse performance. So the only areas reserved for one particular industry sector are in fact for renewables—solar and the renewable energy development fund initiative. All these things are reserved, including the photovoltaic rebate scheme and remote renewable power generation scheme. Hundreds of millions of dollars worth of schemes are reserved for the renewables and there is nothing reserved for fossil fuels. So I think the assertion that somehow these unnamed people have got undue influence, in my experience—and it is not as long as some others' in the building—fails because the renewables have a much better bucket load of money than anyone else.

Senator CARR—Senator, you said you have had social engagements with Dr Pearse. You know that he is a longstanding Liberal Party staffer. He worked for the former minister for a number of years. Are you taking any action to verify what he said?

Senator Ian Campbell—I have not seen the whole program yet. I have been sent transcripts by email. I have a tape sitting on my desk. I have heard what the departmental officers have said to me, walking up here. I have heard what they have said before you in relation to this. The report on *Four Corners* said that somehow my department had gagged or sought to influence what went into this book. Senator Patterson would have enjoyed my reading. It was a nice, late evening reading. We read into the *Hansard* details of the impacts on the Pacific islands and the number of people—60,000 to 90,000 people—being affected by it. Anecdotally, from what I have heard of what was in the program and what I have heard from the officers that I trust, I think the program was not well researched.

Senator CARR—So is Dr Pearse not a good researcher?

Senator Ian Campbell—Quite frankly, in my own private discussions with Guy over a pizza, we had a conversation like this about the influence of the industry. As I recall, he said, ‘We think that the fossil fuel industry had a big win and they went around bragging how on the energy white paper they’d had a great result.’ What I said—I think it was reported on *AM* this morning; I did not hear it—is that I genuinely give advice to industry groups. You and I would have seen a lot of them in our time in this place. Industry groups employ industry lobbyists. Those who go around bragging about how influential they are tend not to be that influential. The ones who are most, I think, significant in politics are those who have a good understanding of the policy, are able to win the argument and do not go off and brag about it. They get on with the next job. They get a reputation as being effective. I think the sort of people who Guy has talked to are most likely to be big-noters and braggers.

Just look at the policy outcomes. The policy outcomes are that we have hundreds of millions of dollars going to the renewables. We have a policy that is well thought through. It is well documented. The energy white paper makes very good reading, coming up to 18 months or two years since it was written. In my experience, having spent some time looking at the policy challenges in energy and climate change, the sort of policy direction taken in the energy white paper is the sort of policy direction that people like Tony Blair is taking in Great Britain, the Canadians are taking and the New Zealanders are taking. I am meeting with the New Zealand minister next week in Adelaide at a greenhouse conference. I am not bragging, because I was not part of writing it.

Senator CARR—No. It is not like you to brag. I ask you this, Minister—

Senator Ian Campbell—I will finalise that point. You are better off looking at the outcomes of that policy process. Look at the outcomes of a policy that is internationally recognised as a fair, sensible and balanced one. It gives support and policy measures across a portfolio of energy types from existing fossil fuels, migrating to gas to lower greenhouse gases and support for renewables in very identifiable ways to fast-track R&D. It is a balanced, sensible policy. So that is one outcome.

The other outcome is to look at the pure dollars. I will get Mr Borthwick to go into it. We might have to give you something on notice. We could actually give you an assessment of the pure dollar support to the renewables sector under our policies over the last three or four years versus what fossil fuels get. Just on the rough figures, it is something below \$100 million for fossil fuels; it is probably below \$50 million. I will give you the exact figures. For the renewables, it goes into the billions. So the outcome is the renewables have been huge

winners. Wind energy and solar energy are doing very well from this government's policies. There is no better friend to those industries than this government. On the outcomes of the policy, renewable energy has been a big winner. Fossil fuels have had very little financial support as a result. The policy stands on its merits.

Senator CARR—It is one thing to talk about effective consultation. I do not think in the modern age anyone could seriously complain about that. But what were being alleged last night were serious breaches of the Crimes Act. At the moment I understand there are probably 114, or maybe 120, investigations by the AFP into unauthorised disclosures of information. What was being proposed to us last night by a former senior employee of this government is that there had been access to cabinet documentation which was clearly unauthorised. Are you telling us, Senator Campbell, that you have no intention of making inquiries as to the veracity of those claims?

Senator Ian Campbell—No allegations of that sort were made against this department, none whatsoever.

Senator CARR—Yes, there were.

Senator Ian Campbell—No, none.

Senator CARR—Yes, there were.

Senator Ian Campbell—Would the secretary of the department or the deputy secretary like to respond?

Mr Borthwick—I stand to be corrected, but I think the departments named were the departments of the treasury and industry, technology and resources.

Senator CARR—So you do not believe they affected your department?

Mr Borthwick—There were no allegations made about any particular group having privileged access or, indeed, unlawful access to documents in our department.

Senator CARR—In your department?

Mr Borthwick—Yes.

Senator CARR—Nonetheless, there were—

Senator Ian Campbell—I will just say here that this is not the appropriate place, because I presume there is another estimates committee considering the estimates of the Department of Industry, Tourism and Resources. The minister has said: 'I am advised that allegations made by *Four Corners* last night in relation to the drafting of cabinet documents and briefings by the Department of Industry, Tourism and Resources are untrue. As Industry Minister, I make no apologies for consulting with industry on important policy matters. But claims of industry figures, draft cabinet documents and briefings are false.'

Senator CARR—And 'had access to cabinet papers'.

Senator Ian Campbell—I am quoting what the minister has said.

Senator CARR—Clearly, you say it does not affect this department. That is the evidence you have given.

Senator Ian Campbell—You have had it from the minister. As I said, I did not see the *Four Corners* program. I have not had time to watch it. I do not know that I will have time to watch it. I have transcripts. If anyone in the department or my office thinks it raises matters that I should look at, I am happy for them to refer it to me. The departmental secretary has said that the allegations do not affect this department.

Senator CARR—The former minister, Senator Hill, was a public advocate for amendments to the EPBC Act with regard to greenhouse triggers. He made that statement on numerous occasions. I refer, for instance, to 10 December 1999. Is it the case that the environment department joined with Treasury and other government departments in supporting a proposal in August 2003 for a national emissions trading scheme?

Senator Ian Campbell—You have just said that the former minister supported a greenhouse trigger.

Senator CARR—Yes.

Senator Ian Campbell—Then you have moved to the issue of a trading scheme.

Senator CARR—I will take it as read that the former minister did. I will quote him:

Introducing a greenhouse trigger would provide another measure for addressing our international responsibilities in relation to climate change and ensuring Australia meets its Kyoto target.

That is what he said on 10 December 1999. I am interested—

Senator Ian Campbell—The only reason I am perplexed is this: how does the greenhouse trigger relate to a national emissions trading scheme?

Senator CARR—I will ask the second question. Was there a joint submission from the Treasury and the environment department supporting in August 2003 a national emissions trading scheme?

Senator Ian Campbell—You are asking the department?

Senator CARR—I know they are separate issues, but I am saying to you that they are part of a continuum.

Mr Borthwick—That would have been a cabinet process. The advice we give to cabinet we cannot comment on.

Senator CARR—In those two cases, it would appear to me, the department took one view and the government ended up taking another view.

Mr Borthwick—I cannot comment on that.

Senator Ian Campbell—That allegation has been made regularly by the environment spokesman. It is not a new allegation. I have actually gone on the record saying that I think carbon trading schemes are part of the policy answer. I have also gone on to say that I think a trading system that has low transaction costs, that does not involve anticompetitive impacts on Australian industry, that ensures you do not have perverse reallocations of industrial development across states who have differing energy generation capacities and that includes the widest possible market, which to my way of thinking needs to be potentially a larger regional scheme or preferably a scheme that includes the whole world, is part of the answer. The Labor Party has a policy of setting up a national emissions trading scheme that includes

probably only some of the states and will include provisions. We are still waiting after nearly two years to see what it is actually going to look like. But I have said to the state ministers, 'Please come forward and show us your trading scheme and we will give you a Commonwealth view of it.' There is nothing new about trading schemes. There is nothing radical about supporting trading schemes. What you want to look at is the cost to consumers, the cost to industry, the cost to jobs and the benefits to the environment. We are still waiting to see the policy.

Senator CARR—What is the current status of the MRETs? How many gigawatt hours are currently expended in renewable electricity generation?

Mr Rossiter—About 6,100 gigawatt hours is the current registered amount with us based on data provided by the proponents.

Senator CARR—By the department?

Mr Rossiter—By the proponents.

Senator CARR—What percentage of total electricity generation is that?

Mr Rossiter—We do not normally work out that kind of data, because we do not have total electricity generation. We just deal with the renewable side of it.

Senator CARR—I see. Would you regard it as a significant contributor?

Mr Rossiter—We set a target each year for the amount of renewable power generation for participants based on liable electricity, which is the subset of total generation. For this year it is 2.17 per cent.

Senator CARR—It is 2.17 per cent. What is it likely to be in 2010? What is the projection?

Mr Rossiter—It is difficult to know what the generation will be then. But projections based on the pro rata formula that is in the act give about four or 4½ per cent.

Senator CARR—I see. And by 2020 for similar data?

Mr Rossiter—I do not think you can work the number out from the pro rata formula.

Senator CARR—So you have no figure for 2020?

Mr Rossiter—The figure for 2020 in fact would be perhaps misleading because of the growth.

Senator CARR—What is it?

Mr Rossiter—It would be the same number because it does not take into account the annual growth.

Senator CARR—That is not exactly a huge percentage, is it?

Mr Rossiter—It is an additional amount.

Senator CARR—Over the next 14 years, it is not exactly a huge number. What additional measures are being planned by the government to keep investment and development in renewable energy actually growing?

Senator Ian Campbell—That is not a question for Mr Rossiter, who manages the Renewable Energy Credits Scheme; it is a question for Mr Sterland.

Mr Sterland—The white paper outlines the strategy and the approach to renewable energy which is based on developing new and innovative sources of renewable energy. The renewable energy development initiative that was mentioned earlier has \$100 million. There is the capacity for proponents of renewable energy to apply for the low-emission demonstration fund, which is a \$500 million fund. That is based on the capacity of a renewable energy source, like any other low-emission source, to contribute to certain benchmarks for a significant contribution to reducing future greenhouse emissions. Another stream of work is aimed at reducing barriers to renewable energy that are commonly recognised. There is work on wind forecasting, energy storage and the Solar Cities program, which is looking at the whole range of issues surrounding energy markets and the take-up of solar and PV in urban areas. The white paper strategy overall is based on developing those new approaches.

Senator CARR—What is the current level of power projects under construction for renewable energy? How many megawatts are there being constructed? The end of the project will produce how many megawatts?

Mr Sterland—We do not have any way of really collecting that data directly. The renewable energy industry produces estimates from time to time of numbers of 100-megawatt capacity being developed. We have no way of verifying that. The regulator, Mr Rossiter, looks at the accreditation stage. There is a fairly good data set at that point, when projects are finished. But the pipeline is variable and proponents can come in and out of that depending on their own commercial decisions.

Senator CARR—So it does not actually require much to meet the 2010 target from existing capacity?

Mr Sterland—It has been recognised for some time and ever since the creation of the scheme that people would develop the capacity ahead of time. Exactly when that happens depends on a range of variables and individual projects, proponents, commercial assessments and things like the ongoing take-up of solar and those sorts of things. So there are a number of uncertainties. But it has been generally recognised that the capacity will be reached some time in the next couple of years.

Senator CARR—Way short of the 2010 target figure, though?

Mr Sterland—No. The target figure will be reached; it is just that firms looking ahead to the stream of renewable energy certificates and the revenue from that have invested ahead of time, as you would expect.

Senator Ian Campbell—The other thing that should be added is that on top of those initiatives we are also working closely with the renewable energy sector through the Asia-Pacific Partnership on Clean Development in Climate, where both the Prime Minister of Australia and the US administration have announced significant new investments. One of the most important areas of work is the Renewable Energy and Distributed Generation Task Force, which Australia is co-chairing with Korea. We are going to work closely with the renewable energy sector not only in Australia but across the region to break through some of

the challenges that confront making renewables a competitive, low cost and more easily distributed power source. We are looking particularly at both large and mini hydro, solar, geothermal—where Australia is potentially a leader—wind, tidal and other zero emission renewables and distributed generation, including landfill, waste, methane and base generation, where we are doing work within the region.

Wide scale deployment of renewable energy and distributed generation technologies increase the diversity of energy supply and can contribute to improving energy security and reducing fuel risks. We believe that the partnership will not only create benefits in terms of trying to fast-track the deployment of renewables throughout partnership countries but obviously create, we hope, significant benefits for the very strong renewables energy sector we have in Australia.

Senator CARR—I will come back to those points you make, Minister. I will go through some of the other measures that the government is proposing. What is the current status of the Solar Cities program? How many places have been shortlisted?

Mr Sterland—Eleven.

Senator CARR—When will final decisions be made?

Mr Sterland—The assessment period for Solar Cities, from memory, is late April for the applications to be finalised. It is 28 April. They have to prepare detailed business cases. There is a complex set of assessments to be made within government initially by the expert panel. The panel will make its recommendations to ministers around the middle of this year or just after.

Senator CARR—How many towns and cities will be covered by the project?

Mr Sterland—The government has made a commitment to fund Adelaide and at least three others.

Senator CARR—Why Adelaide?

Mr Sterland—It is a government policy from the election. It was noted in the energy white paper that Adelaide had a number of characteristics that made it ideal to do with its energy profile.

Senator CARR—Marginal seats, that sort of thing?

Mr Sterland—The amount of sunny days and that sort of thing. It is widely recognised as a good spot.

Senator Ian Campbell—We know that federal Labor is opposed to Adelaide being a solar city.

Senator CARR—Three other cities. Which other cities were they?

Mr Sterland—That will be decided through the process.

Senator CARR—Will they be suburbs in cities or are they whole cities? What is your definition of a city in this context?

Mr Sterland—The idea of those trials is a concentrated uptake to demonstrate basically the benefits of the concentrated and integrated use of solar with other technologies, such as

energy efficiency and demand side management. So there is an element that they need to have focused. Some may choose to have a number of areas that are focused, but we are certainly not wanting to see the situation where it is spread in such a diffuse way across an urban area that you cannot identify things like the impact of nodes and the behavioural impact of that concentrated uptake of these technologies. So it will vary and there are varying proposals amongst the proponents on how to operationalise that. But they will be concentrated in area and integrated in the packages of technologies and measures that people take.

Senator CARR—How many expressions of interest were there for the 11 shortlisted projects?

Mr Sterland—There were 23 expressions of interest.

Senator CARR—Were there some pretty high quality ones amongst them?

Mr Sterland—Yes. It was a generally very hard selection process.

Senator CARR—And how much is the funding package?

Mr Sterland—It is \$75 million overall.

Senator CARR—Over how many years?

Mr Sterland—I think it is seven or eight years, perhaps longer. I can look that up, if you like. It goes to 2012 and 2013.

Senator CARR—Are you able to list the 11 projects that have been shortlisted?

Mr Sterland—Yes. They were announced by ministers.

Senator CARR—So there was a press release or something, was there, to that effect?

Mr Sterland—Yes.

Senator Ian Campbell—We have given them to the senator.

Senator CARR—Yes. This is Adelaide, Alice Springs, Blacktown, Sydney Olympic Park, the central Victorian solar cities project and Coburg. Is that in Melbourne?

Mr Sterland—Yes.

Senator CARR—Kalgoorlie and Perth. There are a couple in Adelaide. How many households do you expect will be covered by the project?

Mr Sterland—It varies. There are a number of different packages within those expressions of interest. They are just that—expressions of interest. They will develop detailed business cases. They have to go back and look at their numbers. We gave each of the successful expressions of interest consortia a session of feedback. They will have to reflect on that. It is not possible to give a single number. It will depend on the final selection of solar cities trials.

Senator CARR—I suppose the same would apply for the number of private businesses?

Mr Sterland—Yes. They would vary in their approaches to that.

Senator CARR—So you have no sense at all of the reach of this program in terms of either private residences or businesses?

Mr Sterland—It would be in the many thousands. There would be a variety of packages even within the same solar cities proposal of varying levels of engagement. Not all will have

the full set of technologies. In some ways, that is desirable to get a good fix on the impact of different technologies and the relative impacts of them. This is essentially about a policy learning exercise to understand how people will respond to different packages of technology and different incentives. But it will be in the many thousands. There would be a number of businesses affected. It will vary by the proponent.

Senator CARR—What about public institutions—schools, hospitals and those sorts of institutions?

Mr Sterland—They are definitely public—

Senator CARR—You have no objections on those matters?

Mr Sterland—I have no summary information from the 11 expressions of interest. Most of them would have public buildings in the frame and public institutions.

Senator Ian Campbell—Quite often, the proposals I have seen involve either state governments or state instrumentalities, local government or local instrumentalities. Quite often it is the sorts of institutions that Senator Carr has referred to as well as a significant component of private households.

Senator CARR—Can the department provide advice on who makes up the consortia for each of the 11 shortlisted applicants, as outlined in the press release of 5 December?

Senator Ian Campbell—I think it was an attachment to the press release.

Mr Sterland—If the attachment has the lead component of the consortium. I will take that on notice.

Senator CARR—The shortlisted proposals are listed from one to 11 in the press release. But there is no attachment that I can see that goes to actually who makes up each of the consortia.

Mr Sterland—We will take that on notice. We will just have to look at the commercial-in-confidence issues associated with that and we will respond.

Senator CARR—We will come back to it in the next round. Minister, you have indicated that you thought the Asia-Pacific climate pact was very significant. What role did the department play in the meeting?

Senator Ian Campbell—In the meeting?

Senator CARR—Yes. In the meeting itself.

Senator Ian Campbell—The meeting was the culmination of many months of work between the governments. It was a joint effort between our department, the foreign affairs and trade department and the industry department. Perhaps Mr Shevlin can respond.

Senator CARR—In terms of the previous answer, I indicated the number of consortia. Can you indicate what program timelines you are expecting in terms of the rollout of the funding? Do you have any forward projections on that?

Mr Sterland—Certainly, the forward estimates period would have them in the relevant budgets documents.

Senator CARR—They give you the aggregate for each year, but I am interested to know what your expectations are about the particular projects or the likelihood of particular projects being funded in that forward estimates period.

Senator Ian Campbell—That is covered. We are now at the stage where each of the shortlisted parties have been given \$50,000 to assist with basically bringing the expressions of interest up to the full delivery phase so we can make a decision on the final four. We expect the cost estimates to flow from that process, which we will see—

Senator CARR—So we are not ready for that yet?

Mr Sterland—No.

Senator Ian Campbell—We have a global estimate of what we would like to spend in each year.

Senator CARR—The budget papers are clear about what the appropriation is in the forward estimates, but you have no predictions at this point about how projects will be funded?

Senator Ian Campbell—We will have that accurately when we announce the final four. I think it is fair to say that we will know what we are looking for then.

Mr Sterland—As soon as we negotiate the specific contracts.

Senator Ian Campbell—Probably it is a tad early for that. But we have the estimates and obviously we need to spend within that estimate.

Senator CARR—Mr Shevlin, what role did the department play in the Asia-Pacific climate pact meeting?

Mr Shevlin—There were four main departments involved in organising the meeting—the foreign affairs department, the industry department, ourselves and the Prime Minister's department. We were engaged in all aspects of the discussions about the content of the meeting, the participants in the meeting.

Senator CARR—So was there an interdepartmental committee meeting?

Mr Shevlin—Yes. There was a group that met on a fairly regular basis. There was a huge range of issues—everything from security issues and logistical issues through to the content of the meeting et cetera. So there were many issues discussed, some in an interdepartmental grouping and at other times between one or two departments.

Senator CARR—What is the total allocation of funding for the implementation of this climate pact?

Mr Shevlin—The Prime Minister announced funding of \$100 million at the meeting in Sydney on 12 January.

Senator CARR—How is the allocation broken down between those four departments?

Mr Shevlin—There have been no decisions on that. The Prime Minister's announcement indicated that \$80 million of funding would be for project activity or for technical projects; \$15 million for capacity building; and \$5 million for the ongoing work.

Senator CARR—Will the \$80 million be spent offshore?

Mr Shevlin—Decisions have not been taken on that. Basically, this money provides capacity for Australia to participate in activities under the partnership. The exact activities to be undertaken will be discussed within the partnership. Projects will be developed and action plans will be developed. As they are developed, the government will be able to take decisions on which activities it wishes to support. So it could well be in Australia. Many might be in Australia.

Senator CARR—Do you have any indication of how the money for capacity building will be allocated?

Mr Shevlin—No. It is the same answer. The other announcement the Prime Minister made was that a minimum of 25 per cent of the funding was explicitly earmarked for renewable energy projects. They could be eligible for more.

Senator CARR—How much of that will be spent in Australia?

Mr Shevlin—Again, it will depend on the project activities that come forward.

Senator CARR—So you have no indication at all of the split of moneys between domestic users, manufacturers and people offshore?

Mr Shevlin—As I said, until the projects are developed through the partnership, the Australian government—and the minister will probably want to answer this—will make decisions on which activities it wishes to fund.

Senator CARR—Who is the lead agency here?

Senator Ian Campbell—It will depend on what section of the partnership activities you are talking about. But they are matters that will be decided in the budget process. Just to give the committee and Senator Carr in particular guidance, just in the renewables area, the expenditures will be driven by the objectives. The objectives in that area are to facilitate the demonstration and deployment of renewable energy and distributed generation technologies in partnership countries; identify country development needs and the opportunities to deploy renewable and distributed generation technologies, systems and practices; and the enabling environments needed to support widespread deployment, including in rural, remote and peri urban applications; enumerate financial and engineering benefits of distributed energy systems that contribute to the economic development and climate goals of the partnership; promote further collaboration between partnership members on research, development and the implementation of renewable energy technologies, including support measures such as renewable resource identification, wind forecasting and energy storage technologies; support cooperative projects to deploy renewable and distributed generation technologies to support rural and peri urban economic development and poverty alleviation; and identify—

Senator CARR—Is that part of the training, Minister, just to talk and talk and talk? How do you actually get around this? Doesn't anyone actually say to you, 'It might be helpful to actually stick somewhere near the question.' We are due to finish in half an hour.

Senator Ian Campbell—I am sorry. I thought you cared about where we are spending our moneys.

Senator CARR—I asked a simple, straightforward question. The officers have tried to answer it. They are saying there has been no decision made.

Senator Ian Campbell—I am telling you how the decision will be made. The cabinet will be making decisions in the budget context. In terms of the investments, they will be guided by what I think are very sensible objectives. We are talking about clean development and climate change. You are saying, ‘How much is going to be spent overseas and how much will be spent in Australia?’ It will be driven again by those objectives. Quite frankly, a tonne of carbon saved in China or Korea is equivalent to a tonne of carbon saved from Hazelwood or a desalination plant. This is a truly global issue. This partnership seeks to address that issue in many parts of the globe within this partnership.

Senator CARR—What is the relationship—

Senator Ian Campbell—And we welcome Martin Ferguson’s strong endorsement of this approach.

Senator CARR—What is the relationship between the climate pact and those working on the United Nations Framework Convention on Climate Change?

Senator Ian Campbell—I beg your pardon?

Senator CARR—What is the relationship between those working on the climate pact and those working on the United Nations Framework Convention on Climate Change?

Senator Ian Campbell—The climate pact is called the Asia-Pacific Partnership on Clean Development and Climate Change. The people in my department who work incredibly effectively and in a dedicated manner within the UN framework convention and its bodies are the same people who work on the Asia-Pacific partnership, by and large.

Mr Bamsey—I think the documents around the Asia-Pacific partnership make clear that the work of the partnership is complementary to that of the framework convention. All of the members of the partnership, of course, are members of the framework convention.

Senator CARR—What work is being undertaken to encourage other nations to join the pact?

Mr Bamsey—At this stage there has been no such work undertaken. The members of the partnership are intent on establishing momentum within it.

Senator CARR—Are there any conditions for membership?

Mr Bamsey—In the future, should the partners decide they want to broaden the partnership, that would really be the guiding principle. In fact, there is a comment on this in the charter, but I do not recall it off the top of my head.

Senator CARR—When you say ‘should they’, do I conclude from your remarks that it is not their intention, or it is not at this point, to broaden it?

Mr Bamsey—No. I do not think you can reach that conclusion. At least I did not intend to imply that. I am really just saying at this stage our focus in the partnership is on establishing momentum in each of the very focused areas of activity that have been nominated as initial priorities. We really have not discussed in any specific way additional membership.

Senator CARR—Are there any countries or regional organisations that are likely to be given observer status?

Mr Bamsey—So far we have had only one meeting. A decision was taken that it would facilitate the meeting's focus on launching the partnership not to have observer nations.

Senator Ian Campbell—There is a very strong interest from other countries in doing that. The way we accommodated that was to have a detailed briefing of all countries that showed interest alongside the participating members.

Senator CARR—So there was a position taken not to have observer status participants?

Senator Ian Campbell—The decision was to have a detailed briefing available to all countries that showed interest. I have to say the level of interest was—

Senator CARR—You say there was a lot of interest. But did anyone actually seek to have observer status?

Mr Bamsey—There were certainly inquiries about that from a number of different countries.

Senator CARR—So the EU?

Senator Ian Campbell—I have a list of people who participated in the briefing.

Senator CARR—I am asking about observer status requests.

Senator Ian Campbell—I am absolutely certain the EU sought some sort of status. But I think there was massive interest from around the world in this. There was keen interest in understanding what was in it. We were happy to facilitate that.

Senator CARR—I am not asking that. I am asking a specific question about observer status. Did APEC seek observer status? Did the Pacific forum seek specific observer status?

Mr Bamsey—I cannot recall precisely who expressed interest in it. The expressions of interest came in many different ways.

Senator Ian Campbell—These are questions for Foreign Affairs, I think. It will not suit your purposes, but when we knew there was such significant interest expressed through people saying they would like to be part of the meeting, we decided to have a high-level diplomatic briefing. I am happy to table, if the committee is interested in information on this, the list of nearly 20 countries that availed themselves of that opportunity.

Senator CARR—We appreciate that, Minister. I am interested to know—

Senator Ian Campbell—There are 20. We are looking at New Zealand, Canada, the European Commission, the British High Commission—

Senator CARR—Thanks very much. I can read as well as you can.

Senator Ian Campbell—French, Dutch—

Senator CARR—Were there any observers at the—

Senator Ian Campbell—Russian.

Senator CARR—recent meeting?

Senator Ian Campbell—I beg your pardon.

Senator CARR—Were there any observers at the recent meeting? In fact, that was the inaugural meeting, wasn't it?

Senator Ian Campbell—The new head of the Asian Development Bank was a participant. He was probably the exception to the rule. All the rest of them were basically cabinet level ministers of the countries.

Senator CARR—There was an ABARE report tabled at the meeting. Is that the case?

Senator Ian Campbell—They presented some information at the meeting. What you find at these various dialogues that are held—Tony Blair hosted two of them in London in the last year—is that you have a presentation on the science, presentations from experts. ABARE, being one of the key bodies in Australia that has done work in this area, looked at the potential for international collaboration on this and the potential of the partnership.

Senator CARR—Did the department provide any advice to that ABARE report?

Mr Borthwick—Dr Fisher forwarded to me a draft of that report and asked if I had any perspectives on it.

Senator CARR—Did you comment on the report?

Mr Borthwick—I congratulated him on a thoughtful report, but I do not think I suggested any changes to the report.

Senator CARR—You are not aware that anyone in the department provided additional advice?

Mr Borthwick—I am not aware of anyone else in the department. It was a personal approach from Dr Fisher to me.

Senator CARR—So it was only at the personal level?

Mr Borthwick—No. He was seeking input from me. I discussed the matter with Mr Bamsey and returned Dr Fisher's call.

Senator CARR—Thank you.

Senator SIEWERT—I want to know how much longer Senator Carr has on this issue because I have a number of questions.

Senator CARR—Given the time, I will put the rest of my questions on notice in that matter. I understand there are a number of other divisions that we would like to talk to. I am finished with these officers. Thank you very much.

CHAIR—Do you have any questions of these people?

Senator SIEWERT—I have some to put on notice. I would like to ask some broader ones.

CHAIR—The other groups are Land, Water and Coasts, and Marine and the Natural Resource Management programs. Who would you like me to call? The next on the list is Land, Water and Coasts.

Senator SIEWERT—I have a coastal one.

CHAIR—We will have Land, Water and Coasts.

Senator CARR—I have questions for Land, which is the next group in line. Where do Marine fit in the list?

CHAIR—That is after that. We have Land, Water and Coasts now. We will call them.

Senator CARR—We might only get two more done.

CHAIR—We could perhaps stay for a little longer, if that would accommodate you, Senator Carr, but not for very much longer.

Senator CARR—It depends on how long the answers are, to tell you the truth.

CHAIR—And the expedition of the questions is also relevant. I welcome to the table officers from Land, Water and Coasts. Senator Siewert, do you have questions?

Senator SIEWERT—I do.

Senator CARR—It is not Coastal and Water?

Senator SIEWERT—It is Land, Water and Coasts, one division.

CHAIR—Would you like to proceed?

Senator SIEWERT—My recollection from either an answer, Minister, you gave in the chamber or one we had here last time is that you are working on a coastal policy. It has been in the media as well. I am wondering when it is likely to be announced.

Senator Ian Campbell—I do not think it was the last time because I think I was at a climate change meeting in either Ottawa, London or Montreal in the last round of estimates.

Senator SIEWERT—I cannot remember where it was. I remember it.

Senator Ian Campbell—It is an area that I think is very important for Australia. We are continuing to develop it. I hope to make announcements in that area within the next two or three months.

Senator SIEWERT—Can I be so bold as to ask whether the states are cooperating?

Senator Ian Campbell—I had a meeting with the state planning minister in Western Australia, for example, to talk through my thinking. I shared my thinking with ministers and local government. Their concerns were that all of a sudden the Commonwealth was going to come and try and take over planning, which was not the intention. The intention is to seek to have higher levels of cooperation and forward thinking on the way we use our very precious coastal resource, trying to get state, local and federal environmental and planning laws not so much harmonised but working together. But the detail of the policy will be exposed fairly shortly.

Senator SIEWERT—Will it be a finalised policy, or is the intention that you will then do some community consultation?

Senator Ian Campbell—My concept was to release a paper. But it could lead to legislative change. I am really at trying to get our federal law working in sync with the state laws, looking at longer term planning and regional plans and better coordination between the two levels. That is the theme. It is not particularly complicated.

Senator SIEWERT—So you are looking at some sort of legislative approach?

Senator Ian Campbell—It could lead to, subject to the discussions with the states and subject to consultations, potentially a change in legislation. It may not need to. The legislation creates the opportunity for the sort of approach I have outlined in broad terms. It is more a matter of trying to get the states on board.

Senator SIEWERT—Can I move from coast to water?

CHAIR—It is all part of this. Water is the next one. It is Land, Water and Coasts. You can do that.

Senator SIEWERT—The fresh water variety.

Senator Ian Campbell—There is not much of that around.

Senator SIEWERT—And being from Western Australia, we should know. With the sale of the Snowy River scheme and Victoria announcing, I think it was yesterday, that they are now going to sell their section—and they did mention trying to put in place measures to protect environmental flows—can the Commonwealth assure us that they will protect commitments to environmental flows from the Commonwealth component of that?

Senator Ian Campbell—We have already assured ourselves of that a long time ago. I do not know that the Victorian government needed to do more than had already been done. I think Mr Slatyer would be able to go into detail on that. It is a very important issue.

Mr Slatyer—There is not much more to say because the sale process itself should not directly impact the availability of environmental flows. The change of ownership within the Snowy Hydro Corporation will not itself impact on flows. The flows are governed by licence arrangements with Snowy Hydro and the state government. Those licence arrangements are not affected by the change in ownership.

Senator SIEWERT—I am happy.

CHAIR—That is the answer you want?

Senator SIEWERT—That is enough for the time being. I will come back.

Senator CARR—Senator McLucas has a series of questions to ask. I have quite a lot to ask of this division. I will confine myself to one directly. What is the role of Malcolm Turnbull, as the Prime Minister's parliamentary secretary, in relation to water policy? How does he relate to the parliament?

Senator Ian Campbell—It really is a question for that portfolio.

Senator CARR—How does he relate to the department given the crossovers between this department and water and other departments that have responsibility for water issues?

Senator Ian Campbell—He will relate to this portfolio because this portfolio will have an input into the decisions that the National Water Commission make in relation to the allocation of program funds from the programs that Mr Turnbull will administer on behalf of the Prime Minister. You are looking, in shorthand, at the major water recovery and other infrastructure projects that proponents are putting forward to the National Water Commission. Our department will have an input into the effectiveness of the projects at one level and the environmental impacts at another level. There will be strong cooperation.

Senator CARR—Will he receive briefings from the department as a matter of course?

Senator Ian Campbell—I met with Mr Turnbull last week. In fact, I strongly suggested that he meet with Mr Slatyer and receive briefings because, in my experience, Mr Slatyer is incredibly knowledgeable in this area.

Senator CARR—I am sure he is. With regard to the recycling of water in urban areas, what role will the department play in those issues, particularly in relation to the parliamentary secretary for water?

Senator Ian Campbell—I think in the way I have described.

Senator CARR—The same applies for water in local government, for instance?

Mr Slatyer—In addition, the department works with the state agencies in national level committees that are reviewing the guidelines for water recycling, so we have a direct role in that which is unrelated to the relationship, if you like, to the Parliamentary Secretary to the Prime Minister.

Senator Ian Campbell—Furthermore, this department administers the Community Water Grants Program, which is, from memory, a \$200 million program. I would be ensuring that Mr Turnbull is aware of the program guidelines and how we are administering that. We want to make sure that there is coordination and cooperation.

Senator CARR—There was recently a discussion in Toowoomba about the recycling of effluent for drinking water. Will you be part of the program? Will you be funding that program?

Mr Slatyer—That program is not being funded by this department. I understand there might be an application in with the Australian water fund in relation to that.

Senator CARR—Will the parliamentary secretary for water have any involvement in the decisions regarding the funding of Toowoomba's proposals for the recycling of effluent into drinking water?

Senator Ian Campbell—I do not know the status of that project. The National Water Commission no doubt will review it at some stage. The environment department may get involved. If it is under the Australian water fund, Mr Turnbull will be the responsible minister.

Senator CARR—So will the department have any involvement in assessing water quality for recycling? Will that be a responsibility for this department?

Senator Ian Campbell—I think that would be a responsibility for the local authority. As Mr Slatyer said, this department does engage in work with the states on water quality and recycling guidelines. It is an area that is important to all jurisdictions as we move to more recycling and the better use of water. Having assurances to the public and the consumers about the quality of the water and how we go about it is very important work.

Senator CARR—So the government supports the recycling of effluent into drinking water?

Mr Borthwick—No. It is not a matter of supporting or not supporting. There is currently a Commonwealth-state group looking at recycling guidelines to make sure that health, environmental issues and the like are adequately addressed.

Senator CARR—So is the parliament represented on that working group?

Mr Borthwick—Yes, we are.

Senator CARR—Who by?

Mr Slatyer—By one of my senior staff, Senator.

Mr Borthwick—This is a group that is being led by New South Wales. It involves other jurisdictions as well. Having proper recycling guidelines is the sine qua non to having water recycling schemes.

Senator CARR—Obviously we will need to come back to that matter, I think. I will put the rest of my questions on notice. I have a whole series of questions on related issues.

CHAIR—Senator McLucas, do you have any further questions?

Senator McLUCAS—My questions are to the water division.

CHAIR—We can move on to the water division, if you wish. They are ready to answer questions.

Senator McLUCAS—I want to ask some questions about the Great Barrier Reef RAP restructure grant process.

Mr Slatyer—It is being handled by our marine division, the structural adjustment program.

Senator McLUCAS—Sorry. I got my bits mixed up.

CHAIR—It follows on from this division.

Senator McLUCAS—I am talking about marine.

CHAIR—Is Marine Division able to come to the table?

Senator RONALDSON—Given the hour, I wonder whether the Labor Party and the minor parties have any view about how they want to structure this?

CHAIR—Well, they have another 10 minutes. We want to finish.

Senator CARR—I will be here. Don't worry. You know I enjoy this place. You want to listen and learn.

Senator RONALDSON—I have done the right thing by you. You should be grateful.

CHAIR—Could we have the marine division at the table.

Senator SIEWERT—Can I ask a quick question on water just to follow up?

CHAIR—Of course you can. But we will also have the marine division called.

Senator SIEWERT—You answered a question on notice of mine on environmental flows in the Darling. In answer to one of my questions, you said that the environmental flows in the Darling have not been fully determined because New South Wales and Queensland were developing water sharing plans. Another goes into more detail. What is the progress on New South Wales developing their water sharing plans?

Mr Slatyer—I would have to take that on notice. We can give you an update. My understanding is that there have not been major developments since we provided that answer. Perhaps if there has been a major development, we will provide that information on notice. Otherwise, assume there has not been any major development.

Senator SIEWERT—My understanding—and I do not know much about it; someone has just mentioned it to me—is that there has been a case with the EDO and that New South

Wales has brought in some additional legislation. I do not know a thing about it. I am wondering how it affects the planning process.

Mr Slatyer—We will take that on notice.

Senator SIEWERT—Do you need me to write that up for you, or can you take it from here?

Mr Slatyer—We will take it from the transcripts.

Senator SIEWERT—Thank you.

Senator McLUCAS—I want to go to the Great Barrier Reef marine park RAP restructure grant process. Can you clarify for me whether the grants are inclusive or exclusive of tax?

Mr Oxley—Grants are subject to tax.

Senator McLUCAS—So when grants are made, are they inclusive of the tax liability that the recipient will have?

Mr Oxley—The tax liability is the responsibility of the recipient of the grant.

Senator McLUCAS—So the grant made will not include the potential tax liability of the recipient?

Mr Oxley—No. It will not.

Senator McLUCAS—They will get the grant and then they will have to pay tax on that grant subject to their personal situation?

Mr Oxley—Subject to their personal situation and the various means they have at their disposal for offsetting any tax implications, be that by depreciation if they are investing in capital assets or normal deductions for operating expenses and so forth.

Senator McLUCAS—Are you aware that there is some confusion in the sector about that?

Mr Oxley—Yes. I am aware of that confusion. The guidelines have always been clear that the grants were subject to taxation. The situation is that some businesses had the understanding that they would be able to in some way claim assistance to deal with the tax component of the grants. But that was not the case.

Senator McLUCAS—Did you investigate in any way whether or not that advice had come from either DEH or the Queensland Rural Adjustment Authority? Did you try to find out where this notion came from that their tax liability would be included in the grant, so to speak?

Mr Oxley—Yes. I think that impression arose at about this time last year, when there were a series of port meetings being conducted concurrently by the department and the Queensland Rural Adjustment Authority to explain how fishermen and other businesses could apply for assistance. I think at the time there was some not ideal communication by officers of both QRAA and the department about how tax should be dealt with. I guess in the course of explaining that grants were subject to taxation, there was also lobbying going on by industry seeking a different treatment in relation to taxation, a treatment that was not consistent with the approach applied by the government generically to the provision of grants, which is that grants are subject to taxation.

I guess another complementary part of the guidelines, at the same time as informing applicants that the grants are subject to taxation, encourages them to make sure that they do the tax planning necessary and get independent advice. In communicating that bit of advice to people at those port meetings, they were encouraged to identify the tax implications for their businesses as part of that process of identifying how they would manage their future circumstances overall. I think the shorthanding of that gave a wrong impression about how that issue would be dealt with. The guidelines are very clear.

Senator McLUCAS—Are you confident that the department is not liable for any actions as a result of that confusion that occurred 12 months ago?

Mr Oxley—The question of liability is—

Senator Ian Campbell—I do not think you can actually ask under the standing orders questions seeking a legal opinion.

Senator McLUCAS—I will rephrase it. I do take your point, Minister. I will rephrase it by asking whether you have sought advice as to whether or not there is a liability on the department as a result of ‘confusion’, using your word, that came from those port meetings potentially from DEH staff.

Mr Oxley—I am not sure whether it is my place to reveal whether the department has or has not sought legal advice on any particular issue.

Senator McLUCAS—I think you can tell me that.

CHAIR—You do not have to answer that question.

Senator McLUCAS—I think you can tell me that. The minister was correct earlier. I was seeking legal advice.

Senator Ian Campbell—The reality is that the government has worked very closely with industry to try to resolve all of these issues on a virtually daily basis. The reality is also that there was confusion. Mr Oxley has described the situation absolutely accurately. We continue to work very hard to ensure that the people affected by the historic protection of reef under the RAP program get fair treatment under the structural adjustment package. We will continue to do that. We seek to make sure that they get very clear, concise information from the government. It has been an incredibly difficult process, incredibly difficult for the people who are part of it. We are determined to get a fair and equitable outcome.

Mr Oxley—I will add to that. On the particular issue raised, we have not sought legal advice. More generally, given the complexity of the guidelines and, I guess, the requirement to constantly be interpreting them as individual business circumstances throw up new conundrums, I guess, in administering the scheme, that requires us to make interpretations of the guidelines. Even where we have simple administrative interpretations of guidelines at hand, we run them past our in-house legal counsel to make sure that they are comfortable that our interpretation is consistent with the objectives of the scheme.

Senator McLUCAS—But that is quite separate from the tax treatment question. Thank you. Let’s move to whether there is a cap on any applicant to receive restructure support. Can you advise the committee if there is a cap on any individual applicant for restructure funds?

Mr Oxley—Certainly. The guidelines again are very clear that there is a cap of \$500,000 on applications for full business restructuring assistance. That cap has been \$500,000 since, if I recall correctly, late August 2004, when the minister took to his cabinet colleagues a number of proposals for enhancements to the structural adjustment package, one of which was to increase the then cap of \$200,000 to \$500,000 in recognition that there were some larger businesses with significant impacts for which a grant of \$200,000 would not be sufficient to help them manage the adjustment needed as a result of the Representative Areas Program and that therefore there was a strong argument for going to the higher amount, which the government settled on as \$500,000.

CHAIR—We have actually reached our scheduled closing time. What would you like to do? You can put questions on notice or we can go on a little longer if you wish to.

Senator Ian Campbell—Perhaps we will try and get through it.

CHAIR—I think I would rather try and do that.

Senator McLUCAS—I would prefer to do them now rather than put them on notice.

CHAIR—That is all right. Obviously I have to consult with you. We will go through to 11.15 pm at the moment.

Senator McLUCAS—In August 2005, industry was advised there was a \$500,000 cap on any applicant. Can you describe what an applicant is?

Mr Oxley—An eligible applicant is, firstly, any fishing business which can demonstrate that it has been impacted by the Representative Areas Program. That includes also fishing licence lessees. Secondly, it includes land based businesses which operate in, supply to or receive product from the fishing industry, and recreational fishing businesses, such as charter boat operators and other businesses which are dependent on the recreational fishing industry, or a combination of the commercial and recreational fishing industries.

Senator McLUCAS—So essentially it is a corporate entity of some sort?

Mr Oxley—It is a business of some sort, a business entity, yes.

Senator McLUCAS—So an operation that can show a loss that would lead the department to pay, let's say, \$500,000, how is it fair compared to an entity that could, because of the number of trawlers they operate, show a potential impact of \$1 million? Because that second operator runs a number of vessels, where is the equity between those two business entities?

Mr Oxley—Between a smaller operator and a larger operator?

Senator McLUCAS—Two operators, one which can show an impact of \$500,000 and one which can show an impact of \$1 million?

Mr Oxley—I guess the general approach that we would take in the administration of the grant in those circumstances is, firstly, to consider that it is not a compensation package. It is a structural adjustment package, so the objective is not to provide restitution for the totality of an impact but to provide assistance to a business ideally sufficient to get them back on their feet and going again and heading in the right direction in terms of their long-term viability. The reality is that the larger businesses under the scheme probably have, because of their scale, a greater capacity to adjust to their business circumstances. They might not be able to

get assistance sufficient to take them all the way back to the situation they found themselves in prior to the Representative Areas Program. But the judgment is that \$500,000 is a sufficient contribution towards meeting their adjustment needs.

Dr O’Connell—I would like to point out that asking whether or not it is an equitable level is asking Stephen Oxley to go into policy issues, effectively. His job in this case is to operate the scheme as it stands. The policy decision has been made by the government, for the moment at least, to hold to the \$500,000. As a rule, structural adjustment assistance schemes do have caps placed on grants. It is not unusual. This one happens to be a relatively generous scheme compared with many others. But I think it is asking Mr Oxley to go beyond his mandate here.

Senator McLUCAS—I take your point, Dr O’Connell. I suppose, then, the question is to the minister. Given the discussion I have had with Mr Oxley, can we describe the situation that currently faces people affected by the RAP as an open chequebook policy?

Senator Ian Campbell—We made it clear at the time—and I think the historical context of this is important—I became minister that the Prime Minister was very aware of the impact. The World Wide Fund for Nature have given the government the Gift to the Earth Award. Is that right, Senator Siewert? Is that what they call it, do you know? I think it is just called the Gift of the Earth Award. It was for the decision to protect over 33 per cent of the reef. It quickly became apparent that there would be significant impacts on the sort of people that Mr Oxley has described. We said that we would put in place a structural adjustment package to treat them fairly because of the impacts. The impacts are significantly larger than were predicted at that time. But the decision we had to make was whether to go back and revisit the representative areas boundaries. As you know very well, the people up and down the coast were challenging those boundaries and seeking to have those boundaries changed. I went there as a new minister and looked at it. I went up and down the coast. I saw the candidates of the Labor Party attacking the Representative Areas Program, calling for the boundaries to be changed. I went back to—

Senator McLUCAS—Unlike the minister who changed it unilaterally all by himself at Repulse Bay. But let’s not go there, Minister. We have three minutes left.

Senator Ian Campbell—I am going to go through the history because the lives of the people we are talking about—

Senator McLUCAS—Let’s talk about whether or not—

Senator Ian Campbell—I have all night to talk about this issue. I would like to talk about it all night.

Senator McLUCAS—Your government said this was going to be an open chequebook policy. There would be no cap.

Senator Ian Campbell—I am interested in the Labor Party’s hypocrisy on this.

Senator McLUCAS—This has changed.

Senator Ian Campbell—What then happened is I came back and I said to the cabinet: ‘It’s really important that we stick with the boundaries in the Representative Areas Program. But we’re going to have to treat all these people fairly because there will be significant impacts.’

We decided to put in place a structural adjustment package that did not have a cap on it. The Labor Party policy—

Senator McLUCAS—That did not have a cap on it—

Senator Ian Campbell—The Labor Party policy—

Senator McLUCAS—unlike the one we have now.

Senator Ian Campbell—An expenditure cap. It always had a cap on the individual grants.

Senator McLUCAS—That is not how you explained it to the industry.

Senator Ian Campbell—They said to the industry that we would stick with these boundaries but bring in a structural adjustment package. Labor and Mr Latham went up to the coast and said: ‘We are going to tear up these boundaries. We’re going to reopen the boundaries.’ We stuck with the environmental outcome. Labor tore it up. We have a structural adjustment package which seeks to be fair. We have worked closely with the industry and closely with the communities. As Mr Oxley has described, we have changed the guidelines on numerous occasions to meet community concerns. We have gone from a cap of \$200,000 which was in place at the time of the first guidelines, up to \$500,000. We have changed deadlines and a whole range of aspects as we have learnt to understand the impacts and dealt with those impacts. That is our approach. It remains our approach. It is a good approach in terms of being fair to local communities and to maintain the historic environmental achievement which the Labor Party would have destroyed. It remains their policy to destroy it.

Senator McLUCAS—How many recommendations from QRAA to DEH have not been accepted?

Mr Oxley—I would have to take that on notice. In doing that, I add that QRAA is one source of advice to the decision maker on the structural adjustment package. The decision maker seeks additional supplementary information from other sources, including the department. Obviously we have developed an expertise in this subject matter over the past 12 months. But not all of the recommendations of QRAA are accepted by the decision maker. Some are on the basis of supplementary information. Sometimes the decision maker goes back and seeks additional information from QRAA.

Senator McLUCAS—Who is the decision maker?

Mr Oxley—The decision maker is the first assistant secretary of Marine Division.

Senator McLUCAS—Is that Dr O’Connell?

Mr Oxley—No. It is Professor Donna Petrachenko, who is absent on duty in New York, I think.

Senator McLUCAS—Half her luck.

Senator Ian Campbell—Skiing through Central Park.

Senator McLUCAS—So the recommendation from QRAA is nearly back to the first assistant secretary?

Mr Oxley—Yes, that is correct. It is QRAA's assessment. The way they are presented means that sometimes there is a series of recommendations. It is essentially a choice for the decision maker to make based on the information provided. Sometimes DEH will prepare an alternative recommendation for the decision maker's consideration. In some of those circumstances, a more generous offer can be made to an applicant than what QRAA had recommended based on that supplementary analysis. As I said, I can provide you with something of an analysis of this issue.

Senator McLUCAS—What skill set is held in DEH to do rural adjustment assessment?

Mr Oxley—Over time we have developed within my office a good understanding of the circumstances operating in the Great Barrier Reef marine park. It is an understanding that is getting better all the time of how fishing businesses and land based businesses operate, of the extent of impacts across fishing businesses and land based businesses and of how these businesses operate. That has been through, I guess, working through applications with QRAA and talking to business advisers up and down the Queensland coast who are putting in applications. It has enabled us to develop a level of expertise that we did not previously have in this subject matter. It has enabled us to build a very good working relationship with a lot of the business advisers who are supporting applicants for the assistance.

Senator McLUCAS—Do we have agricultural economists in the department of the environment? I do not mean to be too critical. I know your staff would be extremely talented in all the science that they have studied. I am a little unsure how skilled they are in rural adjustment assessment.

Dr O'Connell—We have an economics unit in the department, which Mr Oxley's branch draws on for expertise. There is specifically an economics unit.

Senator Ian Campbell—It is a good point that Senator McLucas makes. It is one of the reasons we got the Queensland Rural Adjustment Authority to act as an agent for the federal government in doing the frontline work on the assessments.

Mr Oxley—At various points in the process we have drawn on the resources of the Bureau of Rural Sciences, the Australian Bureau of Agricultural and Resource Economics—

Senator Ian Campbell—Independent consultants.

Mr Oxley—Independent consultants. I suspect if one did an audit of DEH's capabilities, you would find that there are quite a few agricultural economists within the organisation.

Senator McLUCAS—Finally, I understand the time frame for applications has been extended.

Mr Oxley—That is correct. The minister extended the closing date to 30 April.

Senator McLUCAS—Do you expect that applications will be received from onshore processors in particular and bait and tackle shops and all the rest of them, who have found it harder to estimate the impact on their business than particularly trawler operators?

Mr Oxley—A lot of those land based businesses have experienced difficulty in estimating the impacts on their businesses of the Representative Areas Program and its flow-on effects. We have invested significant resources in working with those businesses to try to get a clearer identification of those impacts so that we can then facilitate them in a speedy way through the

application and assessment process. We have done that for recreational fishing businesses and for broking businesses. We have done it for businesses collectively in the Gladstone area. We have done it for the reef line fisheries in terms of demonstrating the flow-on impacts to land based businesses that deal particularly in reef line fishery—coral trout and so on.

Concurrently we have put additional resources into QRAA beyond what we originally negotiated with them. They have put on several additional assessors to speed up the processing of applications. They have engaged four regional staff in the last month or so to work directly with applicants and their advisers in the key Queensland port towns. Further to that, with fishermen in particular, we have gone through and identified all those fishing businesses that had quite significant impacts—impacts in the order of 15 per cent or more—as a result of the RAP. We actually now have advisers out knocking on the doors of those fishermen offering to help to work them through the process to make sure that they are not missing out on the opportunity to obtain assistance under the program. It is really geared towards getting as many applications in by the closing date as we possibly can.

Senator McLUCAS—Finally, if someone is unhappy with the offer made by DEH, what appeal mechanism is available?

Mr Oxley—The appeal mechanism is an appeal to the secretary of the department. The way we are managing that is that those appeals come in and are assessed by another part of the department which is independent from the administration of the scheme. Those appeals are then forwarded to one of the deputy secretaries in the department for determination. Generally it is Dr O'Connell.

Senator McLUCAS—Dr O'Connell, you are now the arbiter? Thank you, Mr Oxley, and thank you, Dr O'Connell.

CHAIR—Do you want to put your questions on notice?

Senator SIEWERT—I have a range of marine questions that I am very anxious to ask. I will put them on notice but I will be following them up next time.

CHAIR—That is quite all right.

Senator SIEWERT—I do have an NRM one that I would like an answer to, which I think is really quick and really easy.

CHAIR—All right.

Senator Ian Campbell—All of the NRM staff are down at the Lobby restaurant at the moment. We should go down there and ask them.

Senator SIEWERT—Yes. I just missed asking questions at the Senate Rural and Regional Affairs and Transport Legislation Committee. My understanding is that at least 10 reviews have been commissioned by the joint agencies on NAP and a whole range of programs. I know what they are because I asked about them last time. I want to know whether they have reported and when those reports will be publicly available. There are 10 reviews.

Senator Ian Campbell—Have the 10 reviews reported?

Senator SIEWERT—When will they be publicly available?

Mr Forbes—We have one which has been completed. An additional eight will be completed this month. There are two that I think are due in April or May. We would have to wait until the minister has actually seen them in that context. So a decision will be made about their public release once we have actually seen them and everyone has had a look at them.

Senator SIEWERT—Minister, is it your intention, as one of the ministers, that they be publicly released?

Senator Ian Campbell—As you have said, there are 10 reports. I am aware of two or three.

Senator SIEWERT—They were listed at the last estimates. We were given a list.

Senator Ian Campbell—I missed that. I was overseas trying to save the world. I do not want to be cute about it and give you an inaccurate answer. I will look at them. I am happy to take it on notice. The Keogh review is the major overarching one of the delivery of NRM and NAP. I have not seen it yet. I have had a couple of quick briefings on it.

Senator SIEWERT—Has that been submitted?

Senator Ian Campbell—That one in particular is going to provide advice to the government which will feed into decisions on the whole structure of NRM and the NAP. I think some people are saying to put the two programs together and others want to keep them apart. Others are saying to scrap the whole lot and start again. It will be a big decision. That advice will feed into that decision making. I am expressing some reservations because they are incredibly important decisions. They are great programs. They have taken spending on Landcare type projects—I am sounding political, but I am trying not to be—which was \$50 million under the Keating government, now up to over \$500 million a year under our government. I think one of the most important decisions I and the government will make in the next 12 months is how we will deliver that huge amount of money effectively. It will guide the cabinet decision. So I think the Keogh report is likely to make a good contribution to the public debate on that. I will wait to discuss it with Minister McGauran and Minister Abetz before I give you a definitive answer. But I am happy to go through the 10 and say whether they are likely to be released publicly.

Senator SIEWERT—You are planning to release the Keogh report publicly?

Senator Ian Campbell—I am saying that that will be the key one, in my own thinking, which will drive cabinet decisions over the future of NRM and NAP. Because it will be policy advice to the government, my only reservation is that it may be better to release it at the time we announce the cabinet decisions. I may well decide that it is good to guide the public debate. The NRM chairs and all the NRM groups are already very interested in where we are going on this. I do not want to have secrets about this. I think everyone is interested in the key policy outcomes I am looking for—stopping cost shifting by states, getting more money to spend on the ground, trying to reduce the bureaucracy and increasing the efficiency. All of these things are challenges.

Senator SIEWERT—Strategically targeting money?

Senator Ian Campbell—Designing the perfect program. I think we are all trying to get there. That is what the Keogh review was all about. I just have not seen it.

Senator SIEWERT—I absolutely agree with you that the next big decision is where NHT3 goes and whether NAP will be part of it. As I understand from the previous estimates, the consultants doing the reviews were consulting some of the NRM groups. There is a difference between being consulted over specific programs and actually having a comment on the overall direction of the program. I know every regional group I have talked to has thoughts about it. Other than the Keogh report—and I do not know that that got around to everybody—I do not think the NRM groups have actually been adequately consulted on the future of the program.

Senator RONALDSON—Is the Keogh report finalised?

Senator Ian Campbell—No. I have not seen it. Very much the remit of the Keogh committee was to go around and discuss those very issues with the NRM groups.

Mr Borthwick—The Natural Resources Ministerial Council, which comprises the Commonwealth minister and state ministers, meets regularly with all the chairs of the regional groups and invites comment from those chairs on how the NHT and the NAP are performing. So the ministerial council has direct access and involvement with the chairs of the NRM groups.

Senator Ian Campbell—And today there was a Landcare council meeting. I would have been at their dinner tonight had I not been here. I sent one of my staff to the dinner. Minister McGauran was there. They had Gordon French, the chair of chairs, from Queensland there. A lot of the representatives of the NRM chairs from right around the country were there. We are all focusing on that one issue. There will not be anyone who complains about not being consulted, I hope. We are very determined to get this right. I am not blaming you. It is interesting in the estimates process that the biggest area of expenditure of government funds on the environment and sustainable agriculture got rarely a question until 11.20 at night. It is a big program, so thank you for asking the question. I think we should put Senator Siewert on first at the next estimates.

Senator SIEWERT—I am definitely lobbying for having NRM earlier on the program. I agree that it gets short-changed every time.

CHAIR—We will have to do something about that. I think that just about wraps up these estimates. I thank the minister and the officers for attending, Hansard for their efforts and the secretariat—the two Jacquies—for their support. With regard to housekeeping, questions on notice have to be in by close of business on Thursday. Any answers should be back to the secretariat by 7 April. We have the main estimates coming up in May, so we want them by April. Thank you all very much. With that, I close this session of estimates.

Committee adjourned at 11.25 pm