



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATION, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION

Consideration of Budget Estimates

MONDAY, 4 JUNE 2001

CANBERRA

BY AUTHORITY OF THE SENATE

SENATE

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

Monday, 4 June 2001

Members: Senator Eggleston (*Chair*), Senators Bartlett, Bishop, Bolkus, Calvert and Tchen

Senators in attendance: Senators Allison, Bartlett, Bolkus, Calvert, Eggleston, Faulkner, Ferris, Hill, Mackay, O'Brien, and Tchen

Committee met at 9.05 a.m.

ENVIRONMENT AND HERITAGE PORTFOLIO

In Attendance

Senator Hill, Minister for the Environment and Heritage

Mr Roger Beale, Secretary, Department of the Environment and Heritage

Ms Anthea Tinney, Deputy Secretary

Mr Stephen Hunter, Deputy Secretary

Supervising Scientist Division

Dr Arthur Johnston, Supervising Scientist

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

The National Oceans Office

Ms Veronica Sakell, Director

Bureau of Meteorology

Dr Bill Downey, Deputy Director, Research and Systems

Mr Ken Wilson, Superintendent, Coordination and Information

Australian Antarctic Division

Dr Tony Press, Director

Great Barrier Reef Marine Park Authority

The Hon Virginia Chadwick, Chair

Mr John Tanzer, Executive Director

Mr Gregor Manson, Executive Director

Mr Les Bell, Director, Corporate Services

Mr Andrew Skeat, Director, Program Delivery

Sydney Harbour Federation Trust

Mr Geoff Bailey, Assistant Secretary, Interim Sydney Harbour Federation Trust

Australian Greenhouse Office

Ms Gwen Andrews, Chief Executive

Dr Colin Grant, Deputy Chief Executive

Mr Phil Harrington, Senior Executive Manager, Sustainable Energy Group

Mr Ian Carruthers, Senior Executive Manager, Greenhouse Policy Group

Ms Linda Powell, Executive Manager, Partnerships and Market Policies Group

Mr Mark McGovern, Finance Manager

Department of the Environment and Heritage

Policy Coordination Division

Mr Robert Butterworth, Chief Finance Officer

Mr Patrick McInerney, Acting Assistant Secretary, Policy and Accountability Branch

Strategic Development Division

Mr Peter Woods, Assistant Secretary, Corporate Relations and Information Branch

Environment Quality Division

Mr Phillip Glyde, First Assistant Secretary, Environment Quality Division

Marine and Water Division

Dr David Kay, Assistant Secretary, Marine Conservation Branch

Australia and World Heritage Division (including Australian Heritage Commission)

Mr Bruce Leaver, First Assistant Secretary, Australian and World Heritage Division

Mr Kevin Keeffe, Assistant Secretary, World Heritage Branch

Parks Australia

Mr Peter Cochrane, Director

CHAIR—I declare open this public hearing of the Senate Environment, Communications, Information Technology and the Arts Legislation Committee considering the budget estimates in respect of the year 30 June 2002.

On 22 May 2001 the following documents were referred to legislation committees for examination and report: there were three particulars of proposed expenditure for the service of the year ending on 30 June 2002—document A, Appropriation Bill No. 1 2001-2002; particulars of certain proposed expenditure in respect of the year ending 30 June 2002—document B, Appropriation Bill No. 2, 2001-2002; and particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending 30 June 2001—document C, Appropriation (Parliamentary Departments) Bill No. 1 2001-2002.

The committee is required to report to the Senate on 20 June 2001 and is determined that the deadline for answers to questions to be placed on notice at the hearing today and tomorrow is to be the close of business on 13 July.

Our colleagues on the Finance and Public Administration Legislation Committee are continuing to monitor the format of the portfolio budget statements. If you have any comments you wish to make about these documents, please place them on the public record during these estimates hearings or direct them to the committee.

I welcome the minister, Senator Robert Hill, and officers from the Environment and Heritage portfolio. Minister, do you have any opening remarks which you would like to make?

Senator Hill—No.

CHAIR—Departmental officers, I remind all members of the committee, will not be asked to comment on the reasons for policy decisions or the advice they may have tendered in the formulation of policy or to express a personal opinion on matters of policy. The committee will begin with the Supervising Scientist Divisions.

Senator BOLKUS—General questions first, if I can start with those.

CHAIR—Yes, Senator.

Senator BOLKUS—Can I ask departmental officers to identify any grants program that is administered by the department or any agency within the department, and also tell us which output that program would find itself in.

Senator Hill—So we are not starting with the Supervising Scientist?

Senator BOLKUS—There is always an opportunity for general questions, Minister; I want to raise a couple of general questions before we get to the Supervising Scientist.

CHAIR—Usually there are general questions but if the minister prefers to deal with programs that is a matter for his direction.

Senator BOLKUS—All I am trying to do at this stage—

Senator Hill—I understood we were dealing with the agencies that had come from outside of Canberra first, but if we want to switch the program around, we switch it around.

Senator BOLKUS—What I am trying to do at this stage, Mr Chair, is to try to get some idea of where the grants programs are and go to them in their individual output area. I could ask each agency as we go along, to save pressure.

CHAIR—That might be a better formulation, Senator Bolkus.

Senator BOLKUS—Let's do that for now and when we get to EA we can start off with the general question there.

[9.07 a.m.]

Supervising Scientist Division

Senator BOLKUS—Dr Johnston, are any grants programs administered by the Supervising Scientist?

Dr Johnston—No, we have no specific grants programs.

Senator BOLKUS—You do not have any specific?

Dr Johnston—We have no specific grants programs. We have one grant at the moment that we administer.

Senator BOLKUS—Which is that?

Dr Johnston—It is to ACMR, which is the Australian Centre for Minesite Rehabilitation. It is associated with, in our case, the rehabilitation of the Narbarlek mine, and it is looking at the optimum methods of revegetation of that mine site.

Senator BOLKUS—Maybe this, Minister, should go to the department officers first, but it seems like the output structure of the department has been completely overhauled this year. Is that so, Mr Beale?

Mr Beale—That is correct, yes.

Senator BOLKUS—What was the driver for that?

Mr Beale—To make it more understandable as well as to ensure that we could relate the output structures to our organisational and program structures, so a combination of making it simpler and clearer for committees like this one and also more effective to manage for the department as a whole.

Senator BOLKUS—Sorry to disillusion you, but it has not helped. Was it driven by the department or by Finance?

Mr Beale—This was driven by the department, Senator. We acknowledge that, as part of the move to accrual accounting and output presentation, we have changed our accounts a couple of times, which does make it a little hard to track details, but we are confident that this structure will become much easier to follow over time.

Senator BOLKUS—That is what you said last time, though, isn't it? That was not all that long ago, was it?

Mr Beale—I think last time we indicated that we were working progressively to simplify these accounts and structures.

Senator BOLKUS—Dr Johnston, I am trying to work out the Supervising Scientist's budget. Can you confirm whether all the activities of the Supervising Scientist are included in output 1.6 or are there others as well that are not included in 1.6?

Dr Johnston—Output 1.6 and output 1.7, Inland Waters.

Senator BOLKUS—How much of 1.7?

Dr Johnston—1.7 is \$1.998 million.

Senator BOLKUS—That is the whole of output 1.7?

Dr Johnston—No, that is our output within 1.7; it is at PBS page 54.

Mr Beale—That is at pages 52 and 54, Senator.

Senator BOLKUS—Is there anything, then, within output 1.6 that is not your funding that goes to another division other than Supervising Scientist?

Dr Johnston—In 1.6, on page 52, the output price for the Supervising Scientist is given under 'Supervision and Research' and the environmental impact of uranium mining in the Alligator Rivers region is a total of \$7.13 million for the coming year.

Mr Beale—But Senator, the other elements, the management of environmental impacts of hazardous substances and organisms, and partnering industry are managed by the Environmental Quality Division, which will appear before you later.

Senator BOLKUS—Dr Johnston, you are telling me that your budget for this forthcoming financial year is \$1.7 million plus \$7.13 million?

Dr Johnston—It is \$2 million plus \$7.13 million.

Senator BOLKUS—\$2 million?

Dr Johnston—\$2 million on output 1.7.

Senator BOLKUS—\$9.13 million. What was your budget for last financial year?

Dr Johnston—Those figures I have given for output 1.6 were \$5.9 million, and output 1.7 was \$2.8 million; these are given in the EBS pages 70 and 71.

Senator BOLKUS—Was that the actual announcement?

Dr Johnston—These are the estimated actuals.

Senator BOLKUS—What was the budget?

Dr Johnston—The budget was the sum of all of the previous outputs, which were different, as you noticed, to the Supervising Scientist's; the total was \$7.9 million.

Senator BOLKUS—So the budgeted amount was \$7.859 million or thereabouts?

Dr Johnston—Yes.

Senator BOLKUS—You actually spent \$8.7 million?

Dr Johnston—That is correct.

Senator BOLKUS—Where did the extra money go?

Dr Johnston—There were a number of sources. You may recall that there was a previous savings measure for the Supervising Scientist of \$0.5 million which the minister had reversed. That savings measure had not been carried forward into the forward estimates, so a significant fraction of that is that \$0.5 million. A second major contributor was a reallocation of the corporate overheads for the department which, at the time of the budget last year, were estimated to be \$2.3 million for the Supervising Scientist, whereas the actuals show it to be \$2.8 million; so there is another \$0.5 million increase there. To counterbalance that, there were a number of savings measures and subtractions within the department arising from the output prices review. I can give you all of those individual figures, if you wish, Senator, but the net effect was an apparent increase of \$0.87 million. In reality, part of it was departmental overheads and part of it was just the previous decision to reverse the \$0.5 million reduction.

Senator BOLKUS—So you were budgeted with \$7.9 million; you finished up with \$8.7 million. Why, then, does the blue book at page 70 indicate \$7.1 million?

Dr Johnston—The \$7.1 million is for next financial year. I thought you were just asking me about the current financial year.

Senator BOLKUS—I thought you told me next financial year your budget is \$8.7 million.

Dr Johnston—Sorry, no. We went through a few moments ago a budget for the coming financial year, 2001-2002.

Senator BOLKUS—At which stage you said \$5.9 million and \$2.8 million.

Dr Johnston—Sorry, no, which was \$7.1 million plus \$2 million. Those are the first figures you referred to, and they are shown on pages 70 and 71 of the PBS.

Senator BOLKUS—What were the \$5.9 million and \$2.8 million?

Dr Johnston—They are the estimated actuals for 2000 and 2001 which we were comparing, based upon your question, with the estimates given in last year's budget.

Senator BOLKUS—You are telling us the budget for the next financial year in all your functions is how much?

Dr Johnston—The total for the coming year?

Senator BOLKUS—Yes.

Dr Johnston—Is \$9.1 million.

Senator BOLKUS—Mr Beale, why, if you are trying to make it simpler, are you allocating funding for the Supervising Scientist under two different outputs?

Mr Beale—What we have attempted to do is to produce the output accounts by trying to move from accounts which reflect simply organisation structures, which was the old way of accounting, to outputs. Those outputs in turn we have related to the state of environment chapters, so that we will be able to move, hopefully over time, to relate changes in the quality of the environment and an assessment of the threats facing the environment to the amount of resources that we are placing to combat those. This also in turn is related to our corporate and

our strategic management plans, so all of those documents starting with the state of environment now go through these various headings. Supervising Scientist has two different activities: one is to do with the control of the radio nucleides in the environment; the second is his contribution to understanding wetland ecology in the tropics. That is accounted for in 'Inland Waters;' the previous one is accounted for under 'Improved Performance by Industry'.

Senator BOLKUS—Have you thought of any better way of harnessing both those functions under the Supervising Scientist in one output? You do not think you can provide more clarity and accountability that way?

Mr Beale—There is always that tension, Senator, between accounting on the basis of organisational structures or accounting on the basis of objectives. If we went back three or four years we would have accounted on the basis primarily of programs, which would have related closely to organisational structures.

Senator BOLKUS—Dr Johnston, is there any money which you have not spent which will be rolled over from this current financial year into next year's budget?

Dr Johnston—From the current year to next year, yes. We of course do not know precisely what those figures are yet. We can give you an estimate later on, but we will certainly have a carryover to next financial year.

Senator BOLKUS—Can you give me an estimate now?

Dr Johnston—I would find that difficult because part of that carryover will result from the accrual accounting system which, during the financial year, attributes items such as depreciation against individual divisions, which at the end of the financial year will be corrected and picked up corporately. So I have difficulty in giving you a precise estimate as to what that carryover might be, because in fact it will be adjusted by those accrual accounting terms.

Senator BOLKUS—Going back one year then, how much was rolled over from the previous year into this current year?

Dr Johnston—About \$0.9 million.

Senator BOLKUS—If you were making a ball park estimate for this financial year?

Dr Johnston—It would be approximately that.

Senator BOLKUS—That would mean that your expenditure for this year was more like \$7 million than \$7.9 million?

Dr Johnston—No, it will mean that it will be approximately what is in the current actuals.

Senator BOLKUS—If only Rodney Adler had thought of this sort of system. You are going to roll over about \$1 million next year.

Mr Beale—Senator, he might have \$1 million available for rollover but, as the Supervising Scientist indicated, that will go into a corporate pool against which he and the other programs will bid. So he may get more than that or less than that, depending upon the marginal priorities.

Senator BOLKUS—That is not all that satisfactory, Mr Beale, you might imagine, but forward estimates for 2002-03, 2004-05 are about \$0.5 million less than 2001-02. What activities are you expecting to drop or cut funding in?

Dr Johnston—Part of the funding for 2001-2002 is associated with the building of the new facilities in Darwin; a total of \$600,000. Of that, \$300,000 is a one-off expenditure associated with a capital use charge; therefore, it does appear in the outgoing year. That accounts for \$300,000 of the figure you are looking at. The remainder arises from a further decrease in the corporate overheads that are attributed to the Supervising Scientist Division.

Senator BOLKUS—What does that mean?

Dr Johnston—It means that the central parts of the department have a total budget which is attributed out on a pro rata basis to the individual divisions of the department. That total corporate overhead budget is decreasing.

Senator BOLKUS—What is it at the moment, Dr Johnston?

Mr Butterworth—Perhaps I can answer that. Corporate overheads are about \$50 million across the department on a departmental expenses base of about \$170 million.

Senator BOLKUS—What are they for the Supervising Scientist?

Mr Butterworth—It is the Supervising Scientist's share of all those things. They include, for instance, the rent, capital user charge—a number of programs that serve the department as a whole that we cannot attribute readily to particular programs. For instance, the international programs would be one such program handled in that way.

Senator BOLKUS—You do not know what you pay them now but you know you will take \$300,000 off them in a couple of years time.

Dr Johnston—I can give you the precise figures. The total corporate overheads for 2000-01, which includes corporation and revenue, are \$2.82 million, and for 2001-02, \$2.65 million.

Senator BOLKUS—That goes down to \$2.3 million.

Dr Johnston—Then the subsequent year, 2002-03, it goes down to \$2.2 million.

Senator BOLKUS—Do you anticipate there would be less financial commitment on the world heritage level with Jabiluka? Is that something you have factored in there?

Dr Johnston—Sorry, we were discussing the corporate overheads just now.

Mr Beale—The corporate overheads are strictly the support activities that do support the Supervising Scientist; they include things like the finance and accounting system that centrally supplies computing, human resources, and so on.

Senator BOLKUS—If we can go on to water management, Dr Johnston, there are obviously ongoing issues surrounding the management of the Jabiluka mine site—and we asked some questions about this at the previous estimates. I gather there has been some change in water management practices, that we have got water being stored underground at the Jabiluka site; is that the case?

Dr Johnston—That is the case. You may recall, Senator, we described on previous occasions that the water management pond that was constructed at Jabiluka was designed for one year; that is, it was designed to meet the criterion of non-exceedence with a one in 10,000 probability for the one year in which it was expected to be operating. As you are well aware, other decisions have been made since that mean that the mine is now on a care and maintenance basis, environmental care, and we have had to look collectively at the best way in which that mine site should operate during this care and maintenance period. As part of that, in order to maintain the likelihood of exceedence to be less than one in 10,000, the use of

the decline as a temporary place for storing water was proposed by the company, was assessed by the Northern Territory regulators and us, and was accepted as a best practice approach, along with the use of water treatment to reduce the total quantity of water on the mine site. That whole process was assessed not only by us but was examined by the independent science panel of the World Heritage Committee when it came to visit us last July. That panel agreed that the process that was planned for the coming wet season was indeed a very good way of dealing with the issue.

Senator BOLKUS—What sort of volume are we talking about?

Dr Johnston—In the decline, the total volume was of the order of 20,000 cubic metres, compared to—

Mr Zapantis—The total volume of the interim water management pond at Jabiluka is about 168,000 cubic metres.

Senator BOLKUS—And 20,000 of which was in the decline or still is?

Dr Johnston—Was.

Mr Zapantis—Was; up to about 20,000 was stored in the decline.

Senator BOLKUS—How long have we been storing water in the decline?

Dr Johnston—We do not. This current wet season is the first time it has been deliberately pumped from the pond down into the decline. In the past, small amounts of water that ingress from the groundwater into the decline have been pumped up into the pond itself.

Senator BOLKUS—That is the highest volume—20,000 litres over the last few months? What is the quality of the water?

Dr Johnston—Obviously, the contact with the ore body at the very bottom has increased the concentration of uranium in the water in the decline to 1,500 parts per billion.

Senator BOLKUS—Is it being treated at all?

Dr Johnston—All the water in the pond will, over time, be treated by reverse osmosis and the total volume therefore of water stored will be decreased because the output of the reverse osmosis plant is disposed of by spray irrigation outside the pond area. Over time, if the current rate of treatment is maintained, the total volume of water in the pond plus the decline will decrease to approximately zero by the end of the next dry season.

Senator BOLKUS—Which is when?

Dr Johnston—Around about September-October; it just depends on the rainfall that occurs during the coming wet season; we cannot predict that. But if one takes average rainfall, for example next wet season, and, of course, if one assumes that the water treatment continues at the maximum rate, then the whole pond could be dry by around about August of next year.

Senator BOLKUS—Is there a chance that it may not be?

Dr Johnston—I am talking about it being dry as opposed to being at the stage where water needs to be pumped down into the decline. What I am saying is I suspect that from next year onwards there would never be a need to pump water into the decline; one can manage the pond because we have a mechanism for removing water, that is, the water treatment system. The pond can be managed in the future so that no water will need to be put down the decline.

Senator BOLKUS—You mentioned some sort of treatment: who is paying for that?

Dr Johnston—The mining company, ERA.

Senator BOLKUS—Do you know what their budget is?

Dr Johnston—No.

Senator BOLKUS—Do you anticipate there will be any seepage from the decline?

Dr Johnston—It is the opposite, really. What happens in the decline is that water moves from the surrounding aquifer into the decline, rather than from the decline into the aquifer.

Senator BOLKUS—The answer is that you do not expect there would be any seepage from the decline itself?

Dr Johnston—On average, no. As I say, it is the reverse effect. In individual locations no doubt there could be cracks or whatever, but they are very small and the overall effect is trivial.

Senator BOLKUS—You mentioned the World Heritage Committee independent science panel being aware of this: when were they first alerted?

Dr Johnston—The plans for it were certainly considered as early as June of last year; and certainly, by July, which was the time they visited Australia; they were fully aware of it and discussed it with us.

Senator BOLKUS—They were aware that the water would be stored in the decline?

Dr Johnston—They were aware that that was the contingency plan, yes. It all depended on what the subsequent wet season rainfall would be as to whether or not it would be necessary, but they were well aware that that was the plan.

Senator BOLKUS—Did they express a view?

Dr Johnston—Yes, they expressed a view—two things: one was that the overall plan was one of which they approved; but privately they expressed the view that they were quite astonished that something as high performance as reverse osmosis was actually necessary in the circumstances.

Senator BOLKUS—We have had recent statements from Rio Tinto stating they have no intention to develop Jabiluka in the short term. In those circumstances, what sort of rehabilitation of the mine site do you think is appropriate?

Dr Johnston—The first comment is that there is no difference between the recent statements by Rio Tinto and what was actually agreed by ERA in its commitments to the World Heritage Committee previously; that is, that the ERA accepted that it would not develop Jabiluka in parallel with the Ranger mine but would start up Jabiluka as the Ranger ore body No. 3 was depleted. The expectation was that that would not happen until around 2007-09. That is the first point. Because that was already known, the whole issue of what would happen during this interim period was again assessed by the independent science panel when they visited us and we pointed out that the expectation we had was that we would regularly review the operation of the standby mode, if you want, of Jabiluka over the subsequent years and would have a formal assessment at a minimum of every five years. And the independent science panel in its report to the World Heritage Committee agreed with that conclusion. So our intention Our intention is to regularly review the operation of the whole site and, if we believe that rehabilitation measures are necessary, then we will make recommendations to that effect.

Senator BOLKUS—You say it is no different from what they have said before. Has there been any correspondence—

Dr Johnston—It is no different from what they committed at the 1999 meeting in Paris.

Mr Beale—That is fine, except I would rather that we left the company to speak for itself.

Dr Johnston—Fair enough.

Senator BOLKUS—There were some repercussions in terms of the responsibilities of the Supervising Scientist, Mr Beale—I know that you would like to take a hands-off approach to mining companies, but this is a bit more directly implicating the Supervising Scientist. Dr Johnston, the Independent Science Panel last September reported:

... should further developments at Jabiluka be delayed for a protracted period or, if the mining company propose to mothball the site, the Supervising Scientist would consider what arrangements would be necessary to ensure that the site continues to pose no significant threat to the World Heritage property. Options that the SS would consider would include the re-vegetation of the waste rock stockpiles, emplacement of the mineralised material stockpile in the decline, sealing of the decline, and decommissioning the water management facilities.

We are talking about here a protracted period before the mine, if it ever gets off the ground, does so; are we not?

Dr Johnston—Yes, we are.

Senator BOLKUS—In those circumstances, are you considering any of those options?

Dr Johnston—Yes. As I mentioned a few moments ago, all of those options will be looked at. The operation of the water management system, for example, as I mentioned, is one that, now that there has been an introduction of water treatment options for changing the water management system, will open up next year when the pond has the potential for drying out. So that is one such issue.

Senator BOLKUS—What I am trying to get to is that the science panel says, ‘If there is delay, then we should look at some sort of management of the site.’ You are saying that these sorts of things would be looked at. The question is: when?

Dr Johnston—Yes. That was the issue that was discussed following receipt of the ISP report. As I mentioned a moment ago, the government’s response was to propose that, at the very minimum, the Supervising Scientist would review the entire operation once every five years, and that was accepted by the ISP and the World Heritage Committee.

Senator BOLKUS—When do you review it?

Dr Johnston—As I say, next year will see an ideal opportunity to have a review. Of course, we are continually reviewing the operation of the system, regularly, particularly the water management system throughout the wet season. For example, each month of the wet season we re-estimate, based upon rainfall occurrence, run-off, what the probability of exceedence would be at that particular time. We are continually reassessing.

Senator BOLKUS—If you have this indication from the company that the mining will not go ahead, if at all, for some time, why would it not be prudent to do this review now and set in place some measures now rather than 12 months down the track? Obviously, the panel had some concerns that no threat be posed to the World Heritage property. I would have thought the sooner you act to prevent any such threat, the better.

Dr Johnston—Yes. The panel's concerns were somewhat justified in the sense that what they were saying was: 'If you have an operation which is on a care and maintenance basis, as opposed to an operational basis, there is the likelihood over time that equipment will deteriorate, perhaps people's attention will not be as devoted as it was in the past and so on.' That is something which occurs over a longer period of time. They were concerned that 10 years or so may go by and nothing be done to review. When we gave them the response that we would be maintaining a very close look each year, particularly at the water management system, and that we would propose a major review of the whole system at least once every five years, they were more than satisfied with that response. I do not see the need to do it immediately.

Senator BOLKUS—Do you anticipate, then, in next year's planned review you would be looking at options such as the emplacement of mineralised material stockpile in the decline and sealing of the decline?

Dr Johnston—That option would be looked at. I am not making a commitment that that would be the conclusion we would come to.

Senator BOLKUS—Who would make this assessment?

Dr Johnston—I would certainly ask my staff to carry out their assessment. The whole issue would then be put to the Mine Site Technical Committee. Generally, the approach taken would be to consider any proposed options within the context of best practicable technology. A formal assessment of what constitutes best practicable technology would then be undertaken.

Senator BOLKUS—Who currently composes the Mine Site Technical Committee?

Dr Johnston—The Northern Territory Department of Mines and Energy is the regulator; the operating company, Energy Resources of Australia; the Supervising Scientist; and the Northern Land Council.

Senator BOLKUS—Are there just four people on it?

Dr Johnston—There are four organisations, but naturally we have a number of specialists in each discipline of whatever is necessary at each meeting.

Senator BOLKUS—Decisions are made on a consensus basis, are they?

Dr Johnston—Yes.

Senator BOLKUS—If the company or the Northern Territory government does not want to seal the decline, then you would not be able to force it?

Dr Johnston—We have the capability of forcing the issue should the Commonwealth choose. There was an amendment to the agreement between the Northern Territory and the Commonwealth that was signed last November in which the Commonwealth's reserved powers, which in the past have been considered as implicit, were made absolutely explicit. The process that is spelled out there is that in the consideration by the minister of the Northern Territory of all authorisations, et cetera, under the UM(EC) Act, the minister is obliged under this new arrangement to consult with me. Secondly, if I advise the Northern Territory minister that I am about to provide advice to the relevant Commonwealth minister, then the Northern Territory minister must not act, other than by the advice that he receives from the Commonwealth minister. It is now absolutely explicit that, where I am not satisfied with the proposed actions of the Northern Territory, then I am in a position to provide advice

to the Minister for Industry, Science and Resources of the Commonwealth and he can then instruct the Northern Territory.

Senator BOLKUS—Going back to that Rio Tinto announcement: has there been any correspondence between the company, the minister or the Supervising Scientist since that public announcement explaining the details of that announcement or conveying that announcement to the government?

Mr Beale—Senator, I have received a letter from Mr Cusack, I believe, in which he provided some transcript of the global chairman of Rio Tinto's remarks at the shareholders' meetings in response to questions from the floor. I believe that I have passed that to Dr Johnston, but I am not sure that he would have got it before he left Darwin. It arrived late last week.

Senator BOLKUS—Either way, can we get a copy of that letter?

Mr Beale—I cannot see a problem with that, but can I just check with our FOI people in the normal way?

Senator BOLKUS—Check with your FOI people?

Mr Beale—It is a letter from a commercial organisation.

Senator BOLKUS—Does that give it instant immunity?

Mr Beale—No, it does not. To the extent that it is recording a matter that was at a shareholders' meeting, I do not believe it would cause a problem, but let me examine that.

Senator BOLKUS—Can you come back to us this afternoon with that? We will be here this afternoon.

Mr Beale—I could endeavour to do so, yes.

Senator BOLKUS—The ISP report also identified a weakness in the water management expertise within the Office of the Supervising Scientist. Arising out of that: have you moved to rectify that? Have you appointed a water resource specialist?

Dr Johnston—Not yet. As you will recall, the response to government to that proposal was that it would be assessed in the normal budgetary process. We expect to appoint such a person in the next few months.

Senator BOLKUS—That was something that was agreed to at the Cairns World Heritage meeting, wasn't it?

Dr Johnston—Only subject to review by the government in the normal budgetary process. The commitment to appoint a water resource specialist to the Office of the Supervising Scientist was one that you agreed to, but subject to normal budgetary review.

Senator BOLKUS—You said you intend to appoint someone in the next few months?

Dr Johnston—Yes.

Senator BOLKUS—Is there a more definite time line than that?

Dr Johnston—Put it this way: the selection criteria and duty statement have been drawn up, and we expect to advertise over the next few weeks.

Senator BOLKUS—What sort of qualifications would you be looking for?

Dr Johnston—What we are looking for is a surface water hydrologist who has expertise through his specific experience in water treatment processes as well.

Senator BOLKUS—Moving on to the Jabiluka PER EIS: has ERA met all the requirements under that in respect of those approvals?

Mr Zapantis—ERA has not met all of the requirements because many of those requirements are ongoing and have to be continually met. Further, many of those requirements do not become relevant until certain points in the development of Jabiluka are reached. If you were to ask: is ERA making satisfactory progress? Certainly. Do we have any concerns about ERA not meeting those recommendations? No, we have no concerns.

Dr Johnston—I should also add that there are several of the recommendations which they cannot meet without the cooperation and agreement of the traditional owners. Some of those have not been met for that reason.

Senator BOLKUS—Instead of going through each of them sequentially, can I ask for a status report on the recommendations?

Dr Johnston—Yes.

Senator BOLKUS—If ERA was to mine new ore bodies at Ranger, would they need new authorisations or would current authorisations apply?

Dr Johnston—Are you asking about new ore bodies at Ranger?

Senator BOLKUS—Yes.

Dr Johnston—The approvals that ERA currently have are only for the existing ore body No. 3, having mined out ore body No. 1. If there was any further ore body discovered, they would have to go through a full approval process for it.

Senator BOLKUS—That involves an EIS as well?

Dr Johnston—I would have to take advice on that from others, but my guess would be yes, in the sense that the original proposal for Ranger involved only ore bodies Nos 1 and 3. Any new ore body would be one which had not been previously considered within the EIS framework.

Senator BOLKUS—Dr Johnston, do you have with you any details as to what was spent by the Office of the Supervising Scientist in respect to Jabiluka and the World Heritage process during this current financial year?

Dr Johnston—I have not got precise figures, but during this current financial year it would not have been an enormous amount because the involvement with the ISP in the World Heritage process was that we hosted the visit of the ISP in July of this year for one week. They, of course, paid all their own costs associated with that. It did, of course, involve my staff and one or two consultants for a short period, and then later I was the only one from the organisation who attended the Cairns meeting of the World Heritage Committee. The costs are not very significant.

Senator BOLKUS—Can you take that on notice and come back to us with details. It may be, Mr Beale, that you might be the more appropriate person to ask here for details of the department's expenditure in respect to the Jabiluka World Heritage process, including a breakdown of those figures, including, expenditure by the minister.

Mr Beale—I will take that on notice, Senator.

Senator BOLKUS—Thank you. Dr Johnston, Mr Zapantis, that is all from me. Thank you.

CHAIR—I thank the Office of the Supervising Scientist for appearing this morning.

[9.49 a.m.]

National Oceans Office

CHAIR—I call the National Oceans Office.

Senator BOLKUS—Can I refer you to page 68 of the blue book. We have some figures for the Oceans Office: the total for the National Oceans Office in 2000-2001 was \$11.1 million; 2001-02, \$12.8 million; and 2002-03, nil. Is that right?

Ms Sakell—Yes, that is correct, Senator.

Senator BOLKUS—So those figures represent the entire funding for the National Oceans Office for those three years?

Ms Sakell—That is correct, Senator.

Senator BOLKUS—You will not have much to do in two years time by the looks of it.

Ms Sakell—As we have explained before, the National Oceans Office has funding until the year 2002.

Senator BOLKUS—Page 12 of the blue book has NHT funding for the Oceans Office at \$4.8 million for 2000-01; \$8.5 million for 2001-02; and \$5.2 million for 2002-03. Can you tell us what amount of money is being rolled over from this financial year to next financial year?

Ms Sakell—NHT funding for oceans policy is shared between the office and the Department of the Environment and Heritage, so the share of National Oceans Office NHT money is a component of those bids.

Senator BOLKUS—A share of NHT funding is a component of those bids: what does that mean?

Ms Sakell—The National Oceans Office, over the three years of funding, has about \$5 million worth of NHT money. The other component of NHT is for a grant program, which is the Coastal Marine Planning Program of which we have \$0.8 million of NHT funding. That is broken up between the office and the department.

Senator BOLKUS—Let's go back to the initial question: the blue book has NHT funding for the Oceans Office at \$4.8 million for this financial year?

Ms Sakell—Yes.

Senator BOLKUS—You are saying that some of that goes to the department and some goes to—

Ms Sakell—Yes, the National Oceans Office component for 2000-2001 is about \$1 million and an additional component for the Coastal Marine Planning Program.

Senator BOLKUS—How much is that initial component?

Ms Sakell—I cannot answer that question specifically because in 2000-2001 it was shared between EA and the National Oceans Office, because the program was transferred to the office at the end of last year, so I do not have that figure in front of me now.

Senator BOLKUS—We are saying of \$4.8 million for this financial year \$1 million goes to the National Oceans Office.

Ms Sakell—That is correct.

Senator BOLKUS—Plus an amount identified as X goes to the National Oceans Office.

Ms Sakell—That is right.

Senator BOLKUS—And you do not know what that is?

Ms Sakell—The Coastal Marine Planning Program, we received \$0.08 million for the next financial year—2001-02. In 2000-2001, we got the remainder of the component—that was for EA to administer the program. I do not have that figure in front of me.

Senator BOLKUS—You do not know what it is this financial year. Even though it is the start of June, you do not know what you spent in this area.

Ms Sakell—We took the program over and it came over with \$800,000.

Senator BOLKUS—You are saying \$0.8 million this year; \$0.8 million next year.

Ms Sakell—I cannot answer the question for this year. I can answer it for next year.

Senator BOLKUS—Does that mean you are not spending anything under that program this year?

Ms Sakell—Yes, we are. We have \$290,000 for overheads and salary costs, which is fixed and we are clear about that. But the program had about 30 projects that EA were managing, and we have picked up 24 of those and are continuing to manage those. Next financial year we will have about \$500,000 of unspent NHT money for the Coastal Marine Planning Program.

Senator BOLKUS—How much?

Ms Sakell—Just over \$500,000.

Senator BOLKUS—Maybe Mr Beale can help us here: NHT funding for the Oceans Office—\$4.8 million this financial year?

Ms Sakell—It is not for the office; it is for oceans policy.

Senator BOLKUS—\$1 million goes to the office; \$3.8 million stays with the department.

Mr Beale—I understand that that will be correct, Senator, but we will be getting to the Marine and Water Division shortly, who administer that. One of the programs was transferred from marine and water to the Oceans Office earlier this year, but my recollection is that that was about \$0.8 million.

Ms Sakell—That is correct.

Senator BOLKUS—\$0.8 million was transferred from where to where?

Mr Beale—From the Marine and Water Division to the National Oceans Office as the National Oceans Office became established, and this is related to the coastal marine planning, strategic planning, as I recall.

Senator BOLKUS—Of the \$4.8 million Natural Heritage Trust funding for oceans policy, can anyone tell us how much will be spent this financial year and how much will be carried over?

Mr Beale—I cannot do that at the moment, but we will be able to by the time we get to the marine and water group.

Senator BOLKUS—Is there a person from the marine and waters—

Mr Beale—That is who I am trying to find.

Senator BOLKUS—Have we got someone?

Mr Beale—Yes. Senator, the advice is that for 2000-2001 we would expect to spend \$4 million.

Senator BOLKUS—\$4 million of that \$4.8 million.

Mr Beale—That is correct.

Senator BOLKUS—So \$0.8 million will be spent by the National Oceans Office.

Ms Sakell—No, that is in 2001-02.

Senator BOLKUS—So that \$4 million will be spent by other arms of the department by the sounds of it.

Ms Sakell—Yes.

Mr Beale—Senator, for program expenditure, without staffing expenditure, we would expect to expend \$7.8 million on oceans policy—\$3 million of that would be allocated to the National Oceans Office.

Ms Sakell—That is correct.

Senator BOLKUS—Sounds great, Mr Beale, but what does that relate to?

Mr Beale—Sorry, which?

Senator BOLKUS—You are telling me \$7.8 million. You have got a budget for the National Oceans Office of \$11.1 million for this financial year. What does that \$7.8 relate to?

Mr Beale—The remaining \$7.8 expenditure –

Senator BOLKUS—No, what do you mean by the remaining \$7.8?

Mr Beale—The \$4.8 million, net of the Oceans Office, relates to the department's programs in relation to matters like marine protected areas, sustainable fisheries, ballast water, TBT, moorings—

Senator BOLKUS—Do you have a breakdown there?

Mr Beale—I have an indicative breakdown.

Senator BOLKUS—Could you read it out for us?

Mr Beale—You could expect a change during the course of the year.

Senator BOLKUS—Always.

Mr Beale—This is program expenditure exclusive of the department's own expenses on staff and so on: urban stormwater initiative, close to \$700,000; \$1.4 million on marine protected areas; at the Commonwealth level, \$400,000 for Timor Sea.

Senator BOLKUS—Which sea?

Mr Beale—That is the Ashmore Cartier Reef, \$400,000, where we contribute to the cost of the patrol of that reef; some small expenditure on sustainable fisheries.

Senator BOLKUS—How much is 'small'?

Mr Beale—About \$3,000; \$1.4 million on coastal acid sulfate soils program; \$170,000 on ballast water; \$160,000 on TDT; \$560,000 on moorings; and that is it.

Senator BOLKUS—That is about \$4.8 million. Is that the Natural Heritage Trust Fund \$4.8 million?

Mr Beale—That is correct.

Senator BOLKUS—That is budgeted for this financial year?

Mr Beale—That is for 2001-02; next financial year.

Senator BOLKUS—That is for the next financial year.

Mr Beale—The financial year under review.

Senator BOLKUS—What is it for this current financial year?

Mr Beale—It is \$3.979 million on program, but if you include our staff or ASL, that would bring it up to \$4.8 million in total.

Senator BOLKUS—So the NHT is paying for some of your staff?

Mr Beale—The NHT has always paid for some of our staff.

Senator BOLKUS—Of that \$4.8 million for this financial year, will it all be spent or will some of it be carried over?

Mr Beale—That is uncertain, but my advice is that they would expect a high level of expenditure from the department, probably little, if any, carry over; possibly some carry over from the Oceans Office.

Ms Sakell—That is correct.

Senator BOLKUS—If it is \$4.8 million for this current financial year, and you say \$4.8 million for next, why does the blue book at page 12 say for NHT funding for oceans policy for 2001-02 is going to be \$8.5 million?

Mr Beale—If you add on the \$3 million for the Oceans Office, \$4.8 million plus the \$3 million, that gets you to \$7.8 million.

Senator BOLKUS—It does not get you there, does it?

Mr Beale—In addition to that, we have the staffing costs.

Senator BOLKUS—Doesn't the blue book, on page 12, refer to NHT funding? Where do you get the \$3 million from?

Mr Beale—Senator, \$7.8 million is the program and the other \$700,000 is the staff support, the ASL; it is to fund the staff that implement the programs.

Senator BOLKUS—That has already answered the question again, because I thought we were looking at NHT funding this financial year being \$8.5 million. You have given me \$4.8 million; you have whacked another \$700,000, which is \$5.5 million: how do you bring in the \$3 million National Oceans Office under NHT funding? I thought the NHT funding referred to on page 12 was NHT funding rather than National Oceans Office funding from another source.

Mr Beale—On page 68 it makes it clear that—

Senator BOLKUS—I am glad it makes it clear somewhere.

Mr Beale—it includes NHT.

Senator BOLKUS—You have made a mess of it, haven't you. No-one knows where the money is coming from and where it is going to?

Mr Beale—That is not—

Senator BOLKUS—You do not seem to know, Mr Beale.

Mr Beale—That is not so. I have indicated to you that you can get to that \$8.5 million by summing the \$3 million, the \$4.8 million—

Senator BOLKUS—Where does the \$3 million come from? Is \$3 million NHT funding or not?

Mr Beale—The \$3 million is NHT funding for the National Oceans Office.

Senator BOLKUS—Yes. That helps us a bit. The 2001-02 National Oceans Office funding of \$12.8 million—that is blue book page 68: how much of that is NHT funding?

Ms Sakell—For regional marine planning, the appropriation is \$7.7 million plus \$3 million for NHT, bringing it to \$10.7 million; \$0.8 million is NHT funding for the coastal and marine planning program; and \$1.3 million is from consolidated revenue, as is the \$7.7 million from the regional marine planning. That adds up to \$12.8 million.

Senator BOLKUS—Ms Sakell, how much of the \$11.1 million budgeted for this financial year will be deferred to next financial year?

Ms Sakell—I cannot answer the question specifically at this time but, as you know, the National Oceans Office has received \$32 million over three years. The program was slow to start and we are just now starting to gain some momentum. We will have spent probably about \$10 million of that \$32 million at the end of this financial year, so we will be underspent and that money will be rolled over.

Senator BOLKUS—How much is that, sorry?

Ms Sakell—Totally, we will have spent about \$10 million of the \$32 million allocated to Oceans Office at the end of this financial year, but I expect that with the momentum we have gained, the work program that has been developed, the work that will go on for the next regional marine plans and some of the integration work and other work program money for regional marine planning, we will start to spend the amount of money allocated to the office fairly quickly over the next 12 months.

Senator BOLKUS—That is \$1 million out of the \$11.1 million shown in blue book, page 68.

Ms Sakell—\$1 million?

Senator BOLKUS—Are you saying \$1 million will be deferred for next year?

Ms Sakell—No. What I am saying is: by the end of this financial year we will have spent close to \$10 million of the \$32 million that was allocated, and it has been rolled over from the year before.

Senator BOLKUS—Before you go any further, how much of that \$32 million was allocated for this current financial year?

Ms Sakell—Oceans Office money is divided between consolidated revenue and NHT, so for each of the years we have been allocated about \$10 million.

Senator BOLKUS—You are allocated \$10 million this year. Where does that then show up in the \$11.1 million for this financial year? Is it part of that or is it something separate to that?

Ms Sakell—No, it is all part of it. The \$1.6 million for oceans policy and the \$7.4 million for regional marine planning are part of the consolidated fund and the NHT component, and

the coastal marine planning program is part of the program that was transferred from Environment Australia to the office.

Senator BOLKUS—So you are telling me that all the \$11.1 million will be spent this financial year?

Ms Sakell—No, I am saying that \$11.1 million has been allocated and we will have spent, out of the total \$32 million, about \$10 million at the end of this financial year.

Senator BOLKUS—How much of that \$11.1 million will you have spent?

Ms Sakell—Probably about half of it, I expect.

Senator BOLKUS—What then happens to the other \$5.5 million?

Ms Sakell—I expect that it will be rolled over.

Senator BOLKUS—Then is that part of the \$12.8 million in 2001-02?

Ms Sakell—No.

Senator BOLKUS—It is not?

Ms Sakell—No.

Senator BOLKUS—Mr Beale is nodding his head and you are shaking yours; which one is right?

Mr Beale—Sorry, I was merely reading.

Senator BOLKUS—It is not part of the \$12.8 million.

Ms Sakell—No. Again, if I put it simply, there is \$30 million over three years which is about \$10 million for each financial year. So 2000-01 is \$11.1 million and 2001-02 is \$12.8 million.

Senator BOLKUS—Of the \$11.1 million, you are spending half this financial year: that means that of the \$32 million—or am I wrong here—you will have something like \$26 million left?

Ms Sakell—About \$20 million yes, rolled over into the 2001-02 budget.

Senator BOLKUS—But \$32 million take \$5.7 million is about \$26 million; why do you have \$20 million?

Ms Sakell—I am sorry.

Senator BOLKUS—You have \$32 million for three years; you have spent \$5.7 million.

Ms Sakell—No. We will have spent about \$10 million.

Senator BOLKUS—The NHT annual report, page 5, shows actual spending for 1999-2000 of \$1.5 million instead of the \$4.1 million as budgeted and as set out in last year's blue book. Can you explain why it is such a low expenditure?

Ms Sakell—For oceans policy or—

Senator BOLKUS—Yes. Do you want to take that on notice?

Ms Sakell—Yes, thank you.

Senator BOLKUS—We are told that the expenditure for 2001-02 for National Oceans Office is \$12.8 million—page 68 of the blue book.

Ms Sakell—Yes.

Senator BOLKUS—Why, then, on page 169 of the PBS do we have a total amount of \$9.356 million?

Ms Sakell—The appropriation for the two outputs of regional marine planning and oceans policy are \$9.066 million on page 166—there are two outputs. Then there is another output for –

Senator BOLKUS—Page 68 of the blue book has regional marine planning at \$10.7 million.

Ms Sakell—Where are you now?

Senator BOLKUS—Page 68 of the blue book. You are saying it is \$9.066 million for regional marine planning, but taking you back to the blue book, page 68, it is \$10.7 million. Taking you to the PBS, page 169, it is \$7.7 million.

Ms Sakell—I can explain that. The regional marine planning output at 1.1 is \$7.7 million; the regional marine planning output in the PBS is \$7.7 million plus \$3 million of NHT money, bringing it to \$10.7 million. The PBS 1.2 output on oceans policy is \$1.3 million, which is consistent with the blue book, and that adds up to \$9.066 million. Another output is the output for the coastal marine planning program, of which the salary and running costs is \$0.291 million, which adds up to \$9.357 million, which is on page 166 of the PBS. So what it does not include is the NHT component.

Senator BOLKUS—The blue book last year showed expected spending for 2000-01 to be \$7.4 million. That was revised in the annual report to \$10 million. It has now been cut to \$4.8 million. Why these changes? Has anyone got any idea? Minister, have you got confidence in the financial administration of your department?

Senator Hill—Absolutely.

Senator BOLKUS—You have been distracted for the last hour, obviously.

Senator Hill—I have been deeply engaged in a bilateral—

Senator BOLKUS—Who with?

Senator Hill—With the head of the Oceans Office, with some assistance from Mr Beale.

Senator BOLKUS—It is of concern. There are different figures in different parts of the documents. The blue book last year at page 15 had \$7.4 million expected expenditure; then we go to \$10 million, then we go back to \$4.8 million. These are pretty large swings. Does anyone plan at the start of the year what they are going to spend for the year and stick to it? What is happening, Mr Beale?

Senator Hill—That is the purpose of budgets and estimates.

Senator BOLKUS—Mr Beale, you would not have put up with this in Finance, would you? You anticipate spending \$7.4 million, you then increase it to \$10 million, cut it back to \$4.8 million. Who is in charge of the shop?

Mr Beale—I will have to come back to you and get some advice on the switches between years. I am not quite sure which figures you are referring to.

Senator BOLKUS—You have the best brains in the department here, Who can help us, Mr Butterworth?

Mr Butterworth—I will take that on notice, Senator, and give you a full explanation.

Senator BOLKUS—We rely on a computer, do we.

Senator Hill—We are having trouble interpreting your questions, Senator.

Senator BOLKUS—I am having enormous trouble. Mr Beale this morning said, ‘We have made all these changes to be helpful so people can understand,’ and 1¼ hours later it is quite apparent that the relevant people in the department cannot understand. How do you expect us to?

Mr Beale—You will get an explanation, Senator.

Senator BOLKUS—I would have thought you would know this morning, Mr Beale. It is pretty elementary. Budget: \$7.4 million; whack it up to \$10 million; probably a Prime Ministerial announcement in between; bring it down to \$4.8 million. You do not know why this happens.

Mr Beale—I will get you an explanation.

Senator BOLKUS—As I say, HIH and Rodney Adler would be very proud of this sort of budgeting, wouldn’t they. If you were in Finance now, you would not put up with this.

Mr Beale—That is a bit offensive.

Senator BOLKUS—No, it is not, Minister. When you listen to the last hour or so, there is absolutely no certainty as to what has been spent, where it is coming or where it is going.

Senator Hill—It is audited.

Senator BOLKUS—Can you explain this, Minister? The blue book, page 15 last year, showed expenditure for \$7.4 million. You then put it up to \$10 million in the annual report, then cut it back to \$4.8 million. How can you explain that, Minister?

Senator Hill—I will have to seek an explanation.

Senator BOLKUS—You have got to seek one from Mr Beale, who has got to seek one from Mr Butterworth, who has got to seek one from someone else who is not here.

Senator Hill—Then we are going to come back to you and we will all be fully informed.

Senator BOLKUS—It looks like it might be one for the Audit Office.

Senator Hill—Everything else goes to the Audit Office, including this.

Senator BOLKUS—Yes, and it does not come out too well, does it?

Senator Hill—It comes out very well.

Senator BOLKUS—We will get to that later on. I must say I do not know what we do with this, but I think you have got some matters of concern there, Mr Beale. When do you intend to come back to us with it?

Mr Beale—It should not take very long, Senator. As soon as we can relate the tables, we should be able to provide an explanation.

Senator Hill—What about after lunch?

Mr Beale—Yes.

Senator BOLKUS—Can I move on to output 1.1.1, the regional marine plan development: is it fair to say that the Oceans Office and the oceans policy have been almost entirely funded from NHT?

Ms Sakell—No, that is not correct. NHT has contributed about \$5 million to the Oceans Office over the three years of funding for the oceans.

Senator BOLKUS—Have you completed your first plan?

Ms Sakell—The first plan for the south-east is scheduled for completion at the end of 2002.

Senator BOLKUS—Where are negotiations with the states?

Ms Sakell—The states have not signed on formally to oceans policy but relationships between the office and the south-east states are quite good. We have been talking to them about our work program and explaining exactly what we are doing and giving them a technical briefing on it. They have also agreed to nominate a couple of officials to participate in a consultative working group with the office and the four south-east states so that we can further negotiate and consult over the first plan, which is the south-east.

Senator BOLKUS—What states are we talking about?

Ms Sakell—The south-east states are Tasmania, Victoria, New South Wales and South Australia.

Senator BOLKUS—Have they put to you individually or collectively a list of outstanding issues?

Ms Sakell—No, they have not.

Senator BOLKUS—An explanation of their concerns or anything?

Ms Sakell—No. I expect that they would be the sorts of issues we would discuss at the working group.

Senator BOLKUS—That working group has not met yet?

Ms Sakell—No. We have just been waiting for the replies from the states as to who they would like to nominate. That is now completed and we are expecting to have the first meeting by the end of June.

Senator BOLKUS—Has any work started on the remaining eight areas?

Ms Sakell—Not at this stage. We are providing advice to the ministerial board about the next region and are waiting for their advice on that.

Senator BOLKUS—You are waiting for a determination of priority as well or have you worked out some priority within the office?

Ms Sakell—Yes. We are waiting for advice on where they would like the next region to be.

Senator BOLKUS—Do you have any timeframe for completion of all the nine regional plans?

Senator Hill—No.

Senator BOLKUS—How many do you anticipate, for instance, completing in the next five years?

Senator Hill—This is an ongoing process; it has not been tried anywhere else in the world. We are learning as we progress.

Senator BOLKUS—Do you have any idea of what it might—

Senator Hill—The level of cooperation of states will be important when it comes to dealing with the interjurisdictional issues.

Senator BOLKUS—Yes, tell us about it. Do you have an expected funding requirement to complete plans for the remaining plans?

Senator Hill—It would obviously need ongoing funding.

Senator BOLKUS—In that context, no additional funding has been provided to the office from the extension of the NHT except for an extension of your existing funding, which you now have five years to spend instead of four. Minister, that is obviously not enough, is it?

Senator Hill—No, it is going to need future funding.

Senator BOLKUS—Have you provided a business plan to the minister?

Senator Hill—Governments also want to see the progress, want to see the outputs for the investment that has already been made. It has been a difficult process to get up and established. In relation to the south-east plan, real progress is now being made. Some of the material that has been produced by CSIRO and others to provide the baseline data is really going to be very useful in the long term in terms of identifying the assets.

Senator BOLKUS—Have you put any demands or notices to the states as to what each state will be required to contribute, either for the south-east plan or for any other plans?

Senator Hill—No, we have not asked them to contribute anything other than cooperation.

Senator BOLKUS—Ms Sakell, have you put to the minister any indication of what your ongoing budget will be over the next four or five years?

Ms Sakell—We are currently talking about that, we have not put anything specific to the minister at this stage.

Senator BOLKUS—You are currently talking that through?

Ms Sakell—We are currently determining what we think a forward budget would require to do the task that is set before us.

Senator BOLKUS—When do you think you will be able to have something tangible there?

Ms Sakell—I guess that is an issue for the minister.

Senator BOLKUS—Yes, but you have to work it out first, don't you.

Ms Sakell—Sure.

Senator BOLKUS—So when do you think you will have something?

Ms Sakell—In the next couple of months.

Senator BOLKUS—Just one last area: oceans policy development. How is that progressing?

Ms Sakell—Oceans policy development has two strings: first is monitoring the initiatives that the government is interested in pursuing in oceans policy, which are the province of a whole range of Commonwealth government agencies; and the other issue is international oceans policy issues in relation to spreading the word, if you like, around the world about what it is we are doing and seeing where we can learn from each other from those countries who are pursuing similar policies, although we are leading the way in this regard.

Senator BOLKUS—How much of the \$20 million will be dedicated or devoted to that?

Ms Sakell—They are the two outputs that are described in the PBS this year: one is oceans policy; and one is regional marine planning. Oceans policy in this regard includes that sort of forward planning in that regard, as well as the National Oceans Advisory Group who are interested in oceans policy from a national perspective and obviously the ministerial board who are interested in broader issues beyond just regional marine planning.

Senator BOLKUS—So you cannot give me a figure.

Ms Sakell—Yes, I can: the allocation is \$1.3 million next financial year, and it was about the same last—

Senator BOLKUS—So it is not complete. Do you anticipate finalising a policy before the funding runs out in 2003?

Ms Sakell—I am not sure what you mean by ‘policy.’ We have a policy which has two strings to it, which are the oceans policy initiatives; and regional marine planning.

Senator BOLKUS—But implementation of that policy.

Ms Sakell—The implementation of that policy is what we are currently doing, which is developing regional marine plans for the EEZ and also looking at the progress of the implementation of all the other initiatives the government is interested in pursuing, of which there are 400.

Senator BOLKUS—That is all, Ms Sakell. Thanks very much.

CHAIR—The minister has to go to cabinet for three-quarters of an hour. It was planned to have an extended morning tea break. However, we will await discussions between Senators Bolkus and Hill as to whether or not they feel the minister should be here.

Senator O’BRIEN—I have indicated to the minister I am happy to proceed with the Bureau of Meteorology, if that helps. I think he is happy with that.

[10.28 a.m.]

Bureau of Meteorology

CHAIR—We will call the Bureau of Meteorology then. As I have just explained, the minister will be away until quarter past 11 and questions should therefore only be directed at issues which are within the province of the bureaucrats to answer. Anything requiring a ministerial comment should wait.

Senator O’BRIEN—I wanted to ask some questions about a consultancy which I understand is being undertaken by a Mr Vince FitzGerald. Are you familiar with that?

Mr Beale—Yes.

Senator O’BRIEN—It is a thoroughgoing consultancy, is it, Mr Beale?

Mr Beale—Yes.

Senator O’BRIEN—When was that contract let and what was the process followed in the letting of the consultancy?

Mr Beale—It was a selected tender. Three consultants were approached; two in fact returned with a combined bid. It was an unusual consultancy to the extent that it involved looking both at organisational issues and public policy issues, because we wanted to get to this division between core and non-core bureau activities—that is, what the budget should

fund, what should be charged for and then cross-cut that with an examination of the organisational structure and delivery and governance arrangements for the bureau. The tender was let towards the end of last year.

Dr Downey—I do not have a complete date at this stage, but I can take it on notice.

Senator O'BRIEN—But end of 2000?

Mr Beale—My recollection is that it would have been around October 2000, but that could well be out, Senator, by a few months.

Senator O'BRIEN—What was the value of the—

Mr Beale—Sorry, Senator, could I also add that there were two very eminent international meteorologists involved as well: one was Dr Jim Rasmussen, a retired senior officer from the US equivalent of the bureau; and Dr Gordon McBean, the previous head of the Canadian Meteorological Service. The successful tenderers were Allen Consulting, that is Dr Vincent FitzGerald, and World Competitive Practices, Dr Matthew Butlin, who ended up combining to provide the report with Allens focusing on the public policy and governance issues, and World Competitive Practices on the organisational and delivery arrangements.

Senator O'BRIEN—They become common contractors—

Mr Beale—Yes.

Senator O'BRIEN—Consultants—

Mr Beale—They did a joint venture to provide the—

Senator O'BRIEN—Okay. Is the contract specific as to the individual responsibility or are they jointly and severally responsible for delivery of outcomes?

Mr Beale—I am not sure; perhaps Dr Downey could answer.

Dr Downey—My understanding is that the funding was determined after collaboration between the two contracting groups.

Mr Beale—We will take that on notice.

Senator O'BRIEN—I want to know whether the contract is specific—

Mr Beale—Yes, I understand what you are getting at.

Senator O'BRIEN—And if so, how it is specific.

Mr Beale—I am not sure whether it gives some individual responsibilities or joint responsibilities. We will examine that and take it on notice and come back to you.

Senator O'BRIEN—Is there one contract or two? Have they both signed the one document or have they signed separate documents specific to their own responsibility?

Dr Downey—I do not have that information with me. We can provide it.

Senator O'BRIEN—If you would advise me of that. How did the agency or the department go about deciding who would be approached for purposes of the tender?

Mr Beale—Given the nature of the tender, we examined those who provide services in this public policy and organisational structure and governance issues, and approached the three firms that we believed, after consultation amongst senior staff, both in the department and the bureau, were the most likely to be able to meet those requirements.

Senator O'BRIEN—Was that consensus or was that left to you to finally decide, Mr Beale?

Mr Beale—The final decisions were made, I believe, by the Bureau of Meteorology's tender board, but certainly the director of the bureau and I discussed the consulting firms that were most likely to be able to meet these objectives.

Senator O'BRIEN—What direction was given to the tender board?

Mr Beale—We discussed and nominated the firms. The bids were then examined by the board and assessed.

Senator O'BRIEN—'We' being you and—

Mr Beale—Dr Zillman.

Senator O'BRIEN—There was an agreement between you and Dr Zillman as to who the tender should be.

Mr Beale—I would accept responsibility for that as the head of the department.

Senator O'BRIEN—Yours was the final word on it?

Mr Beale—Yes, I authorised that those were the three firms to be approached.

Senator O'BRIEN—Was that a matter agreed between you and Dr Zillman, or did you have a look at the list, discuss them and then make a decision?

Mr Beale—No, it was a matter agreed.

Senator O'BRIEN—Have there been reports to you, Mr Beale, arising from that consultancy since it commenced?

Mr Beale—I believe it was formally provided to the parliamentary secretary, rather than to Dr Zillman and me, but of course we also—

Senator O'BRIEN—Dr Stone?

Mr Beale—Dr Stone.

Senator O'BRIEN—When was that?

Mr Beale—A penultimate draft report was provided some weeks ago. Again, I could not be sure but it is within the last month. There are some minor editorials to be done on that report, and Dr Downey will be able to tell me whether or not the final final has been received.

Dr Downey—A final copy of the report has been transmitted to the parliamentary secretary and she is now considering that.

Senator O'BRIEN—There have been a number of drafts; have there?

Mr Beale—I am only aware of one complete draft, although there were presentations by the consultants—one to me, Dr Zillman and Dr Stone—but I believe there have been discussions and presentations to a steering committee chaired by the Bureau of Meteorology leading up to the intermediate and then final presentations.

Dr Downey—There was a fairly comprehensive initial draft and I think it is fair to say it has been fine-tuned through probably one or two iterations.

Senator O'BRIEN—The work of the consultants: have they had an interface with officers of the department and the bureau in their work, and have they taken any guidance from the department and/or the bureau about directions that they might follow with their work?

Mr Beale—Certainly of course they had a comprehensive terms of reference.

Senator O'BRIEN—I have seen the terms of reference.

Mr Beale—Beyond that, the consultants had extensive meetings with the staff of the bureau, including in the regions as well as in central office, and held a number of seminar groups with a cross-section of staff. They also spoke with the users of the bureau's services, including, in particular, state governments and the private sector, and also the fledgling private meteorological industry who compete at the margin with the work of the bureau, or complement it.

Senator O'BRIEN—A bit of both.

Mr Beale—That, in essence, is a very difficult issue about where does the public good stop and where should a contestable market begin. Everybody would understand that the vast bulk of the bureau's activity is, and is going to continue to be, a public good activity funded by the taxpayer. There is always some contention over the margin, with those in the private sector arguing that perhaps a larger share of that work ought to be provided by private sector agencies.

Senator O'BRIEN—Does that work impact on the relationship between the bureau and the department and the bureau and the minister? I am trying to understand the scope of the work from what I have read in the terms of reference.

Mr Beale—In terms of governance it does go to 'What should the proper relationship be between the bureau, the department and the minister? Should there be an external board? If so, what should that board's role be?'

Senator O'BRIEN—At the moment, as I understand it, the matter of the appointment of the head of the bureau is a matter for the minister or cabinet on advice from the minister; is that right?

Mr Beale—Sorry?

Senator O'BRIEN—The appointment of the head of the bureau: who does that at the moment?

Mr Beale—At the moment that would be done by me under the Public Service Act.

Senator O'BRIEN—It is not a matter which requires a decision by the minister and/or by cabinet. Is there work being done on that relationship under the terms of the report?

Mr Beale—That is one of the issues that the report addresses.

Senator O'BRIEN—In terms of issues which goes to those two aspects of the role of the bureau, the on-budget work and the commercial work, if I can call them that—I am sure you understand what I mean by that—I take it that extensive work has been done on the dividing line between those two areas of work in the consultancy?

Mr Beale—Yes.

Senator O'BRIEN—Within the bureau, I am given to understand there is a unit which has specific responsibility for commercial work. Could you identify that for me?

Mr Beale—That is the SSU, which stands for—

Dr Downey—Special Services Unit, and it has a turnover of around about \$10 million compared to our total budget of just over 200.

Senator O'BRIEN—Of the 'just over 200', \$10 million is sourced from sale of services?

Dr Downey—Correct.

Senator O'BRIEN—Is consideration being given to expanding the range of services for which charges will be levied?

Mr Beale—I do not believe that that would emerge specifically from this report. The report was more focusing on what steps you should follow in the future in relation to this boundary between the public and the private and, as technology and demands change, how should you provide for some public accountability in that process.

Senator O'BRIEN—Can you give me some idea of the most important areas from which income is derived by the Special Services Unit?

Dr Downey—Historically, the biggest contracts have been of an international nature. It is where, for example, the Japanese government decided to help Fiji to install new radar, and a new office indeed, in Fiji, and the Special Services Unit was involved in the contracting for the radar installation and indeed other systems there.

Senator O'BRIEN—What sort of income is raised domestically, if I can put it that way, of the \$10 million?

Dr Downey—It is a few million.

Senator O'BRIEN—What is the most important source of domestic revenue?

Dr Downey—A good illustration would be services to offshore oil drilling and that sort of thing.

Senator O'BRIEN—There is nothing that stands out as a particularly important integral part of the income stream from the domestic economy. Are there a variety of things that make up that few million or is there something which makes up the bulk of it and other bits and pieces that are just—

Dr Downey—It is fair to say there are a number of relatively small items that contribute to it.

Senator O'BRIEN—I wonder if you could supply the committee with a breakdown of the sources of revenue for the SSU?

Dr Downey—We could do that.

Senator O'BRIEN—Thank you. In the terms of reference, as I understand them, to the review we have been discussing, there is a proposal to examine a possible restructure along functional rather than state-based lines. Where is that part of the review headed?

Mr Beale—We will eventually, of course, release the report. When I say 'eventually,' it should be available in the not too far distant future. We are examining the recommendations for the report and we would aim to provide the staff with an indication of our preliminary responses at that time. The report places a great focus on the importance of the regional structure for managing the relationships with state SES units and other elements of emergency response, but also examines the pros and cons of organising on a more functional basis some of the support activities, particularly in relation to engineering and the monitoring of weather services. At the moment there is a mix of functional and regional within the bureau with, for example, the computer systems and support heavily centralised. The question is: where do you go on a number of other services? The consultants provided a variety of options.

Senator O'BRIEN—I see. Are there any specific proposals relating to severe weather forecasting?

Mr Beale—The consultants' view was that if it is possible to find administrative savings as a result of any switch to those functional support activities those funds should be redirected towards the severe weather support activities.

Senator O'BRIEN—Does that imply some special locational response for that work?

Mr Beale—The consultants' view was that the severe weather response should continue to be regionally based because of its very close integration with state emergency services and other support activities, but equally there is a very important central role for the bureau in developing severe weather modelling and predictions. Dr Downey is probably rather more expert than I am.

Senator O'BRIEN—Can you help us with that, Dr Downey?

Dr Downey—I believe it is talking about something like eight to 10 people being involved in any of the restructuring, which is relatively small compared to the total number of people in the bureau, which is around 1,400.

Senator O'BRIEN—There would be some sort of central unit of eight to 10 people involved in this severe weather forecasting unit.

Mr Beale—I am not sure that the consultants would go to the detail of how those would be deployed, but their view would be that increased support from the centre might be helpful but that the focus of severe weather forecasting should continue to be at the regional level and closely related to the state emergency services.

Dr Downey—My comment was based on notional savings that were identified at 10, and they were notional.

Senator O'BRIEN—So savings there out of reorganisation in the regions might lead to a central pool of funds for a resourcing—

Mr Beale—It could be allocated either centrally or to the regions, depending on the director's view of where you get the most increment.

Senator O'BRIEN—Can you advise us with a breakdown of the regional staffing by regional office?

Dr Downey—That information is readily available in our annual report and I could very quickly get you the details of that.

Senator O'BRIEN—Thank you very much. Has the bureau outsourced any of its functions to date?

Dr Downey—Outsourcing functions, as opposed to outsourcing work that contributes to our functions—we do a fair amount of that, yes.

Mr Beale—A fair amount of the latter.

Senator O'BRIEN—Let's talk about your core work. I am not talking about whether you contract the cleaning of your offices or your security or something like that, but the core meteorological work.

Dr Downey—We have a professional staff structure—meteorologists, observers, technical officers—who do work that clearly cannot be outsourced. However, there are other areas of

activity—some maintenance of our IT infrastructure, some aspects of our observational infrastructure—the technical support for which we do outsource.

Senator O'BRIEN—Data collection: some of that is performed under contract, isn't it?

Mr Beale—Yes.

Dr Downey—We have cooperative observers, several hundred of those, who we engage to make measurements for us and to relay them centrally to us.

Senator O'BRIEN—The deliberative function: is that all performed in-house?

Dr Downey—Sorry, the delivery function?

Senator O'BRIEN—Deliberative. In other words, you get your information, you make your prognostications and tell us what the weather is going to be.

Dr Downey—That is pretty much all in-house.

Senator O'BRIEN—Do you not think of it as a deliberative function?

Mr Beale—I think they think of it as a scientific function, Senator.

Senator O'BRIEN—As part of this process, is there intended to be any market testing of functions currently performed within the bureau?

Dr Downey—Yes, in two areas: engineering support; and there will also be some market testing of what is generally referred to as corporate support—management services types of activities.

Mr Beale—We should add to that that we are examining some IT activities as well, of course.

Senator O'BRIEN—The only areas that will be market tested will be engineering support, corporate support and IT support: that is within current thinking?

Dr Downey—A limited range of IT support, mainly desktop systems.

Senator O'BRIEN—Is anyone aware of any plan to open up aviation weather services to external competition, or is that not a matter for this particular bureau?

Mr Beale—That is one of the major issues. The bureau is the meteorological authority under the ICAO convention for Australia. It cost-recovers the marginal costs of those activities from the aviation industry. This is by far and away the biggest cost recovery area for the bureau. New Zealand Meteorological Services' commercial arm has argued that the provision of this work should be put to competitive tender, and that is an ongoing issue of discussion between us and the other relevant agencies.

Senator O'BRIEN—Is that a subject under consideration in this review?

Mr Beale—This report does address that subject.

Senator O'BRIEN—So this report makes some recommendations about that matter?

Mr Beale—It does.

Senator O'BRIEN—When will be able to be aware of what sort of recommendations they make?

Mr Beale—Very soon. We have a draft letter to staff with the parliamentary secretary at the moment, don't we, Dr Downey?

Dr Downey—Correct.

Senator O'BRIEN—What sort of revenue does the bureau currently earn from its aviation weather services?

Dr Downey—In total it is between \$12 and \$13 million typically.

Senator O'BRIEN—\$12 to \$13 million of the 200-odd?

Dr Downey—Yes.

Mr Beale—It is expected to be \$13.87 million in 2000-2001.

Senator O'BRIEN—You described the cost recovery as your 'marginal cost'?

Mr Beale—It is certainly not the total cost recovery of all the infrastructure that provides forecasting, but it is the additional work that is done to support the weather products that would meet our obligations under the ICAO convention, and for safe domestic flying.

Senator O'BRIEN—If there was to be some competition as to who provided that work currently provided by the Bureau of Meteorology, if a decision was made to make that contestable, would there need to be any changes to legislation or regulation?

Mr Beale—It would depend entirely how you did it, were you to do it, and whether you wished to change in any way the designation of the Australian meteorological authority for the purposes of the ICAO convention.

Senator O'BRIEN—It would be necessary to change that particular specification in the ICAO convention, would it?

Mr Beale—It could be. Again, this is becoming quite hypothetical; it would depend on how you were to structure it. It would be technically possible for the bureau of course to be the meteorological authority and decide to source some aspect of the provision of this service competitively, as it could any other service, but no decisions have been made about that. We have some recommendations in this report and we will be providing a preliminary response to those recommendations shortly.

Senator O'BRIEN—Has consideration been given to the bureau on-selling its information to organisations who might value add?

Mr Beale—At the moment the bureau of course provides a broad range of information. In some cases it charges for access to that information, including in particular to cover the cost of access, and it would be fair to say, Dr Downey, that virtually every private sector provider in Australia would rely fundamentally on the bureau's core products to provide the base from which they value add for particular clients and customers?

Dr Downey—Yes, that is the case, and we in turn depend on the rest of the world for their information. If you want a forecast for the Australian region beyond three days, you need data essentially from the rest of the world.

Senator O'BRIEN—There is publicly available information from the bureau which anyone could currently take up and seek to value-add to if they wished?

Dr Downey—Within reason. If they started issuing public warnings, that would not be part of the arrangement.

Mr Beale—There are special access arrangements, for example, for those who wish to provide public media products under which they can access that data from the bureau and which then in turn place obligations on them, for example, not to issue weather warnings that could conflict with the official warnings from the bureau.

Senator O'BRIEN—Getting back to this aviation weather service, how is the cost recovery that the bureau achieves mandated? How do you go about it?

Mr Beale—In the bureau's act, it is entitled to charge. It is enabled to charge for some of its products. The bureau discusses with the aviation industry each year, Dr Downey, the services that they require and indicates an indicative charge for the provision of those services? The industry has the opportunity to examine and question the bureau about the costs involved in providing those services, and Airservices Australia provides the mechanism on the use of airports and airways by the airlines that enables them to then make their payments to the bureau in a way that is fair and transparent as between the airlines.

Senator O'BRIEN—Does the cheque come from Airservices or does it come from a range of companies?

Dr Downey—Under an arrangement that we have with Airservices, they recover the cost on our behalf.

Senator O'BRIEN—This is based on a provision in legislation which is permissive of the charging regime, not mandated anywhere.

Mr Beale—That is correct. The Bureau of Meteorology Act enables the director to charge for the provision of information. This information has been provided at charge since the inception of the ICAO convention in 1944 or thereabouts.

Dr Downey—Yes. Government has from time to time looked at the charging aspects. There was a House of Reps standing committee on expenditure examination of aviation aspects.

Senator O'BRIEN—In any case, in relation to future plans for this activity, you assure the committee that an announcement is imminent?

Mr Beale—We believe we will be able to provide a preliminary response within weeks rather than months, but that would be a preliminary response. There are other agencies that will need to be consulted as well.

Senator O'BRIEN—So there is going to be some change?

Mr Beale—What is going to be fundamental is that Australia will meet its obligations under the ICAO convention, and we will do that in a way that demonstrates to the industry that this is a cost efficient and transparent outcome.

Senator O'BRIEN—Who will need to be talked to? Airservices?

Mr Beale—In particular the Department of Transport and Regional Services; CASA, the Civil Aviation and Safety Authority; Airservices perhaps; and certainly the airline companies and others will also take a great interest in the report. This is an issue that has been under consideration, Senator, for quite some time, both by us and others.

Senator O'BRIEN—What sort of ideas have been floated by others?

Mr Beale—As I have indicated to you, at least one other provider believes that there ought to be an open competitive provision of these services. Equally, however, Australia has got obligations under the ICAO convention that it must meet, that the meteorology authority must meet; it does not indicate how it must meet them but the obligations are quite fundamental.

Senator O'BRIEN—The mechanism used to apportion this marginal cost: is that an agreed mechanism, is it controversial as to how much is attributed?

Mr Beale—Dr Downey might answer that. I suspect the element of controversy will depend a little on how the airlines are feeling about costs at any particular point in time.

Dr Downey—It is an agreed mechanism that emanated from the inquiry that I mentioned just a moment ago, the House of Reps standing committee on expenditure. The report I think was coined *Gone with the winds*. Essentially what it involves is the incremental elements of both staff and other resources that are required to provide the aviation services; that is, over and above everything else that we need to provide public weather services, that direct cost component is attributed to aviation and an appropriate overhead is also in there to cover support costs of those staff.

Senator O'BRIEN—I presume the Department of Transport and Regional Services is the key agency in relation to renegotiation of ICAO?

Mr Beale—I do not believe it would be a renegotiation of ICAO, if any such change were to be made but if such a question arose of nomination to ICAO of who is the Meteorological Authority; it is more a question of how we meet our obligations, what do CASA and the Department of Transport and Regional Services and for that matter Airservices Australia regard as the necessary level of meteorological service provision, what are their views about the alternative ways of providing that, emphasising of course that the relevant meteorological expertise is with the Bureau of Meteorology while the transport and safety expertise is with the Civil Aviation Safety Authority.

Senator O'BRIEN—What work has been done with Civil Aviation Safety Authority and the department to date on this issue?

Mr Beale—CASA has been working on its element of the regulations, the air safety regulations, that relate to the requirement on airlines or pilots to use meteorological products. As I said, we have separately been looking from the other point of view at how Australia might meet its obligations under the convention in terms of the meteorological authority. There have been meetings at the officer level, Dr Downey with CASA on an off or from time to time over the last 12 months or so and perhaps more recently with the department?

Senator O'BRIEN—I believe there has already been some drafting of regulatory changes?

Mr Beale—I believe that CASA has had some in-house drafting of regulatory changes. It would be wrong for us to comment on what level of endorsement they have from the Civil Aviation Safety Authority.

Senator O'BRIEN—What I have been shown is a change to 174 of the regulations, which is drafted in the form: 'An organisation or person may apply to CASA for approval as a meteorological service provider.' That does not seem to line up with what you are saying would be the bureau's role under ICAO. I am just trying to understand how it would come to that point. Would that mean you would have to subcontract your role or outsource your role?

Mr Beale—I think that there are a range of legal issues involved both of international law and domestic legislation. There is no doubt that the designated meteorological authority for Australia has the responsibility to provide the meteorological services required under the convention; the Bureau of Meteorology is the designated meteorological authority for Australia under ICAO.

Senator O'BRIEN—How would CASA designate someone else?

Mr Beale—So long as the bureau is the designated meteorological authority, CASA would not have the legal capacity to designate a meteorological provider for the purposes of the

ICAO convention. Senator, I do not think it is appropriate that I answer questions about a preliminary or what I understand to be a preliminary internal draft in CASA of one of its regulations. I really have no idea as to whether it has attracted senior support or review within CASA; it is those sorts of issues that we will be talking with the Department of Transport and Regional Services and CASA about. Those sorts of issues being how we meet our obligations.

Senator O'BRIEN—Is the bureau's role currently mandated by CASA regulation?

Mr Beale—There is a CASA regulation—it is CAR 120 if my memory is correct—that I believe makes it an offence for air crew to use a meteorological product other than one provided by the bureau. You asked: is the bureau mandated by CASA—

Senator O'BRIEN—Others are made illegal by CASA is the way it is done.

Mr Beale—That is a better way of putting it. CASA in its regulations, from a safety point of view, requires pilots and air crew to use a bureau product.

Senator O'BRIEN—If there were to be a change, that regulation would have to be amended or abolished?

Mr Beale—If there were to be a—

Senator O'BRIEN—If some one else were to be authorised to provide meteorological services other than the bureau?

Mr Beale—If someone other than the bureau were to become the designated meteorological authority, then it could change CASA's competence. If the bureau continues to be the meteorological authority it will appropriately determine how that information is sourced and supplied.

Senator O'BRIEN—To change it, one of two things would happen: either the bureau would have to be source of information provided to it by others or CASA would have to change its regulation?

Mr Beale—Those are two possibilities among a range of possibilities.

Senator O'BRIEN—What are the other possibilities?

Mr Beale—That would get quite hypothetical, and I have gone a long way already in being hypothetical.

Senator O'BRIEN—I do not know that we are already hypothetical. We have established that work is being done within CASA about this area. It is a subject of consideration, and obviously has been on an ongoing basis. There have been discussions, as you have said, involving the department and, I think you said, CASA and the airlines over the last 12 months. So there has been quite a deal of work on the proposition that this work might not be with the bureau.

Mr Beale—As I have indicated to you this is an issue that has been raised, in my knowledge, on and off over a period of some years. CASA has been reviewing its regulations again for quite a significant period of time.

Senator O'BRIEN—This particular one? They are always reviewing the regulations, Mr Beale.

Mr Beale—If the internal draft regulation that you are looking at is the one that I have looked at, I have been aware of that for at least a year or in the order of a year, I believe. I just

do want to get in to CASA's business as distinct from our business; our business is as the meteorological authority. So if we are the meteorological authority we have obligations.

Senator O'BRIEN—Currently your obligation under ICAO is for the bureau to provide the information, so you are considering a change to that?

Mr Beale—Under the convention, the meteorological authority provides or arranges for the provision of the information. That is probably not the precise words but it is pretty close to it, I think, Dr Downey.

Dr Downey—Correct.

Senator O'BRIEN—Currently the bureau provides it.

Dr Downey—We provide it. An alternative model would be where we became the certifier, if you like, of somebody else who provided it.

Mr Beale—Which could be an SSU type unit or an external unit or the bureau could continue to provide it with a component outsourced or none of the above.

Senator O'BRIEN—It could be, for example, provided by the bureau or it could be provided to the bureau by the commercial arm of a New Zealand weather forecasting bureau and equally meet our ICAO responsibility?

Mr Beale—Providing the bureau was of the view, as a meteorological authority, that that met Australia's obligations under the convention.

Senator O'BRIEN—I take it if someone else was providing it the bureau would have to be regularly auditing the provider?

Mr Beale—The bureau would continue to be, on behalf of the contracted party to the convention, the meteorological authority who is responsible for ensuring that that information is appropriate for the purposes of the convention.

Senator O'BRIEN—That is what I mean. If someone else was tasked with making an analysis and providing it back to the bureau, which I take it would be an option under the sort of model you are talking about, then the bureau would have to be regularly auditing their processes?

Mr Beale—It would have to do whatever was necessary to ensure that, as a meteorological authority, our obligations under the convention were met. The degree of auditing would be a matter of professional judgment were we to go down that route—this is, as we said, hypothetical.

Senator O'BRIEN—I take it that if you were to go down that route, the auditing costs would have to be passed on as well. That would not evolve back to the taxpayer; it would be attributed to the industry through the Airservices model you currently follow or something similar?

Mr Beale—Again, if we were to maintain—and I see no reason to move away from it—the cost recovery model, the total costs of providing the service would have to be met by the beneficiaries of the service, the airlines.

Senator O'BRIEN—So this is a matter which is currently being considered by the parliamentary secretary. I think you said earlier that you are expecting some—

Mr Beale—Some preliminary response in weeks rather than months.

Senator O'BRIEN—I think you said earlier you thought it might even be this afternoon.

Mr Beale—I didn't say this afternoon?

Senator O'BRIEN—You might have said the letter was going to—

Mr Beale—I indicated that I believed a draft letter to the staff had gone or would soon go. A draft response to the report to be provided to the bureau staff had either gone or was shortly going to the parliamentary secretary.

Senator BOLKUS—In the PBS, page 73 shows that a minor internal evaluation of the bureau is to commence in 2001-02. Can you tell us what the driving force is behind that?

Dr Downey—Yes. As part of the departmental framework, we have an ongoing rolling program of evaluations of essentially all our programs. The public education program is a component program of our corporate activities, and it is the next in line, if you like, as part of the rolling program of evaluations.

Senator BOLKUS—Do you have any terms of reference for this review?

Dr Downey—They have not yet been formulated.

Senator BOLKUS—Can I ask in anticipation that we be provided with a copy or the—

Dr Downey—Yes.

Senator BOLKUS—You also have the contractor review—external contractors make a contribution to the bureau and you indicate that there will be a review into the feasibility and cost-effectiveness of extending this contribution further. I suppose that basically means you are looking at further contracting out?

Dr Downey—We are looking at market testing in three areas that were identified in the previous question. But just to restate them, observations and engineering services is one area. There is still a remnant of IT outsourcing to be examined but that is mainly on desktop systems, not mission critical systems.

Senator BOLKUS—Sorry, I missed the second part of that answer, Dr Downey. You said there is an area of IT service is—

Dr Downey—Outsourcing, yes, but we are not looking at our mission critical systems which are considered now to be out of scope.

Senator BOLKUS—What are you looking at?

Dr Downey—We are looking at desktop systems, more corporate type systems that are not unique to us but are generally common in the office environment.

Senator BOLKUS—What is your current budget in that area?

Dr Downey—Which area is that?

Senator BOLKUS—The IT service area that is being looked at for possible extension of contracting out.

Dr Downey—I do not have the figures to hand, but I can provide them to you.

Senator BOLKUS—Can I ask on notice for details of how much is currently spent under each output on external contractors? Having asked for that, can you tell us what the time frame for this review is?

Dr Downey—Those three elements have different time scales, I believe.

Senator BOLKUS—So there are three reviews?

Dr Downey—We have just completed a comprehensive risk analysis for the IT outsourcing, and we would hope to finalise that certainly in the next six months or so. We are not a long way down the track, I think it is fair to say, on the other two.

Senator BOLKUS—Have you identified any levels of anticipated savings?

Dr Downey—Not at this stage, no.

Senator BOLKUS—In any of the three areas—you have not identified them in the IT sector, for instance?

Dr Downey—No, I do not believe so.

Senator BOLKUS—We had a pricing review last year—

Dr Downey—An output pricing review, yes.

Senator BOLKUS—And a review this year. Is there any overlap between the two sets of reviews?

Dr Downey—The output pricing review was a fairly comprehensive look at all our programs or the four major programs that are identified in the PBS.

Senator BOLKUS—It must have looked at, for instance, the area of IT service delivery.

Dr Downey—It did not look at it, I do not believe, in the same level of detail as has been going on under the OASITO umbrella.

Senator BOLKUS—How do you describe the difference in the levels of detail?

Dr Downey—Only to say that the output pricing review was not as focused in detail on the IT aspects.

Senator BOLKUS—In the case of that review, did it make any assessment as to anticipated savings out of this area?

Dr Downey—No.

Senator BOLKUS—What did it look at in this particular area it is now designated for further review?

Dr Downey—It looked at all the programs and came to the conclusion that the price was reasonable for each of those four output areas.

Senator BOLKUS—What is this new review then focusing on that the other one did not? I go back to that question. You say it is looking at it in a more focused way, but what does that mean?

Dr Downey—I think the strategic assessment is looking more at organisational aspects of what we are doing rather than whether the price of what we are doing with the current framework is okay.

Senator BOLKUS—You told me that this current review is looking at benefits from competitive tendering and contracting—

Mr Beale—I think you might be at cross-purposes, Senator.

Dr Downey—I think we might be both confused now. You are looking at the one that is referred to here in the PBSs.

Senator BOLKUS—What I am trying to work out is what the difference is between this ‘review’ of external contractors on page 73 of the PBS and the pricing review that was conducted last year.

Dr Downey—The ones referred to here are much narrower than the output pricing review, and it deals with those three elements that I referred to.

Senator BOLKUS—But I would have imagined that those three elements were considered in the pricing review last year, were they not?

Dr Downey—Not in the same level of detail. We would have been benchmarked in the OPR process against other agencies and so on.

Mr Beale—Senator, I believe the OPR review looked particularly at the costs of the bureau in comparison with other international meteorological providers—

Senator BOLKUS—It did that without looking at, for instance, non-operational IT service delivery?

Mr Beale—What it did not do was to examine whether there could be savings arising from market testing those areas under the government’s overall policies in relation to corporate services. We have an obligation to consider for market testing each of those corporate support areas. That is what I understand that this segment relates to.

Senator BOLKUS—So you are telling me that last year’s pricing review did not market test IT service delivery?

Mr Beale—No. The OPR was conducted in the knowledge that we would be facing a market testing process for these common core corporate service activities, just as the department is and just as every other department is.

Senator BOLKUS—A year ago we were talking about market testing a whole wide range of IT service delivery, were we not? What has been excised from that?

Mr Beale—The areas that we believe you cannot make a sound business case to outsource at this time is the scientific computing and the computing that supports the bureau’s 24-hour weather service operations. The area which clearly could be market tested is the administrative support and desktop units—the ordinary office IT. The area that I believe Dr Zillman’s committee is still examining is what is known as the wide area network. We have not yet received a recommendation from that committee.

Senator BOLKUS—Mr Beale—I just factored in the last part of your answer—is there a final report of that pricing review? Is there a report of that pricing review?

Dr Downey—I believe there is a DOFA bureau department document.

Senator BOLKUS—Can I have a copy of that?

Mr Beale—I believe that those are not being released, Senator, although we will take that on notice, because I believe that they then became part of the ERC cabinet considerations. Let us check for you whether or not any of those output pricing reviews are available.

Senator BOLKUS—Does that then give them immunity if they become part of that process? I would have thought something up the track like this is still available and probably FOIable.

Mr Beale—They are certainly documents that are part of cabinet considerations and created for that purpose.

Senator BOLKUS—We are talking about a source document up the track.

Mr Beale—What I am saying to you is that I would like to find out whether or not I can release this document. If we can, we will.

Senator BOLKUS—Can you tell us whether any opportunities are identified in the pricing review for more cost-effective service delivery? This is to you, Mr Beale.

Mr Beale—The pricing review, as I understand it, looked at the bureau's costs of outputs, indicated that they were highly competitive with international benchmarking for the provision of meteorological services and recommended to the government that the output prices for the bureau were therefore appropriately reflected in the budget.

Senator BOLKUS—Did it identify any area at all that could have been restructured to provide for a better or cheaper service delivery?

Mr Beale—I am not aware of the detail of that, Senator.

Senator BOLKUS—Mr Butterworth?

Mr Butterworth—I am not aware.

Senator BOLKUS—Is anyone here involved in the pricing review who might help us?

Dr Downey—There were none.

Senator BOLKUS—What did the review cost, Mr Beale? Does Dr Downey know what that pricing review cost?

Dr Downey—I do not know that it has been identified. It involved officers of the Department of Finance and Administration, officers of our department and a large amount of time of bureau staff.

Mr Beale—I am sure we could get that cost.

Senator BOLKUS—Thank you. What do you mean by the external contractors' review of the provision of observational data? Page 73 refers to the external contractors' review of the provision of observational data.

Mr Beale—I think it was mentioned earlier by Dr Downey that there are a number of private providers of observational data to the bureau. I understand that the observations unit in the bureau is examining whether or not there is an option for extending that provision in a way that would either save the bureau money or improve performance, if not both.

Senator BOLKUS—Is there a budget for the observation data area? Is there a particular amount of money that you allocate annually for those who provide information to you?

Dr Downey—It depends on the nature of what it is we are talking about here. The infrastructure that is required to get our observational data is the largest part of our budget.

Senator BOLKUS—Are you looking at that or at the actual people who supply the data and making their situation more cost-competitive? What are you actually looking at?

Mr Beale—We should take that on notice, Senator, and come back to that.

Senator BOLKUS—Mr Beale, you have got in the budget a commitment to a contractor review in three areas, one of which is the provision of observational data. Someone must know why you want to review this area. It is not good enough to say, 'We will take it on notice, think about it and come back with it.' You have actually put this in the budget. What do you want to review? Do you know, Mr Beale?

Mr Beale—I do not want to risk misleading you, Senator.

Senator BOLKUS—That is not a sufficient answer. Do you know or do you not know? You obviously do not know.

Mr Beale—I have a broad idea, but I would like to get it precisely right.

Senator BOLKUS—I would like to know. Who would know here? If you do not know, someone must be responsible for driving this review. What are you looking at?

Senator Hill—What is the answer, Dr Downey?

Dr Downey—The monitoring and prediction program—and Ken will give me a figure in a moment—is the largest part of our budget. This involves 50 upper air stations out there releasing balloons twice a day. Most of those stations are staffed by three or four people. That is supplemented by a number of other field officers that we have. On top of that again, we have got cooperative observers who are paid to relay information to us on a regular basis. On top of that again, we have some 7,000 volunteer rainfall observers, for example. At this stage, it is fairly wide scope. It is to look at essentially that entire operation and try and identify any areas in that activity that might lend themselves appropriately to market testing and potential outsourcing.

Senator BOLKUS—You would not be looking at the volunteers, I imagine?

Dr Downey—No.

Senator BOLKUS—You are then looking at your own facilities across the country.

Dr Downey—Yes, it is looking at whether there is scope, for example, to market test some of our engineering support, maintenance type activities. Our equipment is very specialised; so it is very difficult to get people in the general stream of things to be able to maintain that equipment. That is why we tended to do it with our own people.

Senator BOLKUS—I would have imagined that the area of corporate services would have been reviewed in the pricing review.

Dr Downey—We were benchmarked there against other agencies.

Senator BOLKUS—You were not found wanting?

Dr Downey—Were not found wanting.

Senator BOLKUS—Who has driven the review in this area of corporate services? Within 12 months of being found not wanting, who has now decided that there needs to be a further review focussing on—

Dr Downey—I think there is an expectation generally right throughout the public service.

Mr Beale—There was a government policy to review each of these areas in corporate services and market test them.

Senator BOLKUS—Do you expect any real level of savings from each of these three areas, Mr Beale?

Mr Beale—I would not exclude that possibility. There are always opportunities from the very close attention that corporate services will get for reducing costs.

Senator BOLKUS—One final question: 2000-01 PBS had \$202 million budgeted. Estimated actuals were \$215 million. Where did the extra \$13 million go?

Dr Downey—You are on page?

Senator BOLKUS—Page 82, the budget was \$202,761,000 for 2000-01. What was the estimated actual expenditure?

Dr Downey—Are you in the yellow book?

Senator BOLKUS—Yes, 2000-01 PBS. Your budget was for \$202 million. What is the estimated actual for 2000-01?

Dr Downey—On page 64 of the current PBS or the PBS for 2001-02, there is a figure there of \$215,860,000.

Senator BOLKUS—So what has caused the \$13 million difference between last year's budget and this year's estimated actual?

Mr Wilson—Senator, there are two major factors. One is additional estimates. Through additional estimates we received an additional \$10.6 million, and there has been an increase in our expected revenue from other sources also. That makes up most of the difference.

Senator BOLKUS—What was that \$10.6 million for?

Mr Wilson—Two major items: one was supplementation for capital use charge; and the other was a one-off correction for unfunded depreciation expense arising from a late re-evaluation we did in the 1998-1999 financial year.

Senator BOLKUS—Is there any money to be rolled over from this financial year to the next?

Dr Downey—We are not anticipating any.

Senator BOLKUS—Thank you very much.

Senator ALLISON—I have been looking in the budget documents for a line item for long-term climate change impact work by the bureau. Is there a budget for that work?

Dr Downey—The work that you refer to would be largely within our research centre. I could provide you with the details.

Senator ALLISON—Broadly speaking, is it more than it was previously? What is the trend and commitment?

Dr Downey—About the same, possibly slightly less.

Senator ALLISON—Slightly less?

Dr Downey—Slightly less, not much, from previous years.

Senator ALLISON—Can you put some sort of order of what 'slightly less' means? Are we talking a couple of million here?

Dr Downey—We can take it on notice, and I can provide you with the actual amount.

Senator ALLISON—Can you explain why it is also slightly less than it was previously, given—

Dr Downey—I think largely that we have got less from the Greenhouse Office to fund it.

Senator ALLISON—Minister, perhaps you could explain that?

Senator Hill—I am surprised to hear the answer from Dr Downey. We regard the Bureau of Meteorology as well funded to provide the very important contribution to Australia's scientific knowledge on long-term climate change consequences. I did not know it was dependent on money from the AGO.

Dr Downey—There is a certain amount of base funding and base research done within the bureau within our normal appropriation. We get some additional funding from the AGO to do specific targeted research that relates to the climate change issue. I believe that it is true to say that that has dropped by a small amount this year because of their funding situation, and I will provide the detail.

Senator Hill—What function was dropped in the last year?

Dr Downey—I do not think the function has dropped; it is simply that the amount of funds available—

Senator Hill—What research did you do the previous year that you did not do last year?

Dr Downey—I suspect we are doing fewer computer runs, and therefore the process has slowed down a little.

Senator BOLKUS—Fewer computer runs?

Dr Downey—Fewer numerical modelling experiments—computer time.

Senator Hill—Described as computer runs.

Mr Butterworth—Senator, if you look at the blue book, you will see that there are estimates for two bureau activities—national activities and international activities—over the forward estimates period. There is very little change in either line item.

Senator ALLISON—Very little change—what is the change?

Mr Butterworth—It goes from \$8.3 million in 2001-02 to \$8.2 million to \$8.1 million in the out years for the national activities, and for international activities it is unchanged at \$0.9 million.

Senator ALLISON—Does that sound like the order of reduction?

Dr Downey—That is of the order.

Senator ALLISON—Perhaps I might quiz the AGO when it comes to that time. Has the bureau developed any program about long-term impact work? Are you satisfied that enough is being done in the department for Australia to understand likely weather changes?

Dr Downey—The socioeconomic impacts of climate change are slightly outside our province.

Senator ALLISON—In whose area does it lie?

Dr Downey—It is more in the AGO domain than it is ours.

Senator ALLISON—They cannot make any assessments unless you presumably do your work.

Dr Downey—We can provide scientific output on the likelihood of the variation and the climate variables—what the temperature impact will be, what the precipitation impact will be—in broad terms, but then the social scientists and other groups have to take it from there and use those scenarios to say what the impact will be on agriculture, transport, et cetera.

Senator ALLISON—Work under ‘International Meteorological Activities’ would include feedback into the international scientific community about climatic change in Australia or not?

Dr Downey—Yes, that is more about our involvement in the World Meteorological Organisation and its related programs. But, again, it is more dealing with the broad science of climate change and meteorology, the climate, than it is the socioeconomic impacts.

Senator ALLISON—You mention in this budget paper 110 research publications. Were any of those about future projections on climate change?

Dr Downey—A number of those would have been related to climate research. You may be aware that, with the very nature of climate change being global, there is a process known as the Intergovernmental Panel on Climate Change, which seeks to bring together the various scientists from around the world to arrive at a consensus on these things.

Senator ALLISON—Perhaps you can let us know, Dr Downey, the titles of those research documents? If they are of interest with regard to greenhouse, it would be useful to have a look at them.

Dr Downey—We could provide that.

Senator BOLKUS—In relation to the reduction in calculations and monitoring you mentioned earlier, is that across the board or is it in some areas more than others? In answer to one of Senator Allison's questions you said that there had been reduced activity in terms of monitoring, was it?

Dr Downey—No, it was numerical modelling—modelling the future climate.

Senator BOLKUS—Were there ongoing programs that had been cut back or were there areas where you were doing modelling that has stopped?

Dr Downey—I expect what it means is that the level of work that can be done with the amount of money has just dropped slightly, and the big cost component in these things is how much computer time you can afford to devote to it.

CHAIR—There being no further questions, we will move on to the Antarctic division. Thank you very much.

[11.51 a.m.]

Australian Antarctic Division

Senator MACKAY—I have a few questions in relation to the proposed air link from Australia to Antarctica. Dr Press, could you give me a brief as to what is happening with that?

Dr Press—At the moment we have a list of short-listed tenderers that provided expressions of interest last year for the provision of air services. Some of those have been to Antarctica to look at one of the potential bases for our air transport list.

Senator MACKAY—This would be?

Dr Press—That would be Casey. They were expressions of interest and they have been short-listed, and we will be going out later in the year to get firm pricing and costings for the provision of air transport services.

Senator MACKAY—Expressions of interest do not go to the extent that the contract tendering documents are out?

Dr Press—No, they are not.

Senator MACKAY—Page 96 in the PBS states:

A request for proposals will be issued mid-2001, with selection of a suitable provider to follow.

Is this the process you have been referring to? What does 'to follow' mean? What is the time line in relation to that?

Dr Press—What we need to do is to get a fully scoped option for people to price against. That is the first stage. That will go out to the market, and from that we will evaluate (1) whether there are providers out there that can provide the service and (2) whether they can provide the service at a price that is reasonable. That will take us a number of months.

Senator MACKAY—In relation to that second stage, will the issue of available infrastructure be considered? The minister is nodding.

Senator Hill—Which end? Both ends?

Senator MACKAY—Both ends, yes.

Senator Hill—There is not much at the other end.

Senator MACKAY—No, that is right. You would not want to move the Antarctic Division out of Hobart, for example, would you?

Senator Hill—Provided Tasmania continues to give us good service.

Senator MACKAY—So in terms of this contemporaneous process—

Senator Hill—This is not an interstate rivalry set of questions, is it?

Senator MACKAY—This is just a series of questions I am asking because I have an interest in this.

Senator Hill—We will get those Western Australians in.

CHAIR—Nothing to do with Albany.

Senator MACKAY—You can ask questions about Albany, Senator; that is all right. In relation to the Antarctic air transport scoping study that was conducted during 1999-2000, what did that entail? Is the report available to the committee?

Dr Press—Yes, the report has been made available to the committee and it is available on our web site as well. That looked at the options for potential places to land. It looked at the kinds of facilities that we might need at the other end. And it looked at, in general terms, what would be required to move up to 400 scientists a year in and out of Antarctica.

Senator MACKAY—Has any work been done yet as to what the air link may constitute in terms of size of aircraft, et cetera?

Dr Press—Yes, there has been some look at that in the reports. The most commonly used aircraft to fly people in and out of Antarctica at the moment is something like a C130 Hercules. One of the options that we looked at was whether we could fly that kind of aircraft to Antarctica, whether skied or wheeled. Those evaluations were all considered in the air transport scoping study.

Senator MACKAY—In relation to the short-list, post the call for expressions of interest, what form did the call for expressions of interest take? Advertising?

Dr Press—It was advertised nationally and internationally and in air transport special media.

Senator MACKAY—How many expressions of interest have you received?

Dr Press—It was somewhere in the order of 12 to 14, but I can give you an exact answer if you want one.

Senator MACKAY—Yes, please.

Dr Press—I will take that on notice.

Senator MACKAY—You said a number had actually been to Antarctica to Casey and that is referred to here. How many of the short-listed expressions of interest have actually been?

Dr Press—I can take that on notice, but it was either five or six.

Senator CALVERT—Senator, some of those who gave expressions of interest were unable to get there because of one of their ships getting stuck in the ice, was it not?

Dr Press—They ended up being flown into Casey by helicopter.

Senator MACKAY—Did you want to add anything based on that interruption?

Senator Hill—No. I have got to go back to my cabinet meeting and I wanted to make sure he was going to give the right answer on a particular question.

Senator MACKAY—That sort of coaching did not take very long, but it seemed that Dr Press was doing most of the talking.

Senator Hill—I know the question, even if it takes another half an hour to get to it.

Senator MACKAY—Of course you do. It says that the potential air service providers were short-listed after a call for expressions of interest. You indicated there were about 12 to 14 in the initial expressions of interest. How many now are on the short-list?

Dr Press—I have actually been on leave for the last two months, and I cannot give you an exact answer to that, but I can take that on notice.

Senator MACKAY—Does anybody else know? Can it be provided fairly quickly? It is a fairly simple figure.

Dr Press—Yes.

Senator MACKAY—Good. Whose final decision is it?

Dr Press—Ultimately?

Senator MACKAY—Yes.

Dr Press—The decision will have to be made at two levels: one is on the basis of risk assessment and the services that are provided—and we will go through normal tendering processes to do that. Depending on the cost of the exercise, we may or may not need to go to government to seek approval.

Senator MACKAY—So there is the capacity for determinative discretion within the division in relation to this?

Dr Press—As there is in all contracting.

Senator MACKAY—That is not the case in a number of portfolios I deal with. For most of them, the ultimate determinate is the minister.

Dr Press—Ultimately, the minister is responsible; that is correct.

Senator MACKAY—What process would be undertaken?

Dr Press—We will have a tender evaluation board looking at it.

Senator MACKAY—Is that already set up?

Dr Press—We have a committee at the moment that is doing a risk assessment, and we had a proper evaluation process for the expressions of interest. We will have to put together another evaluation committee to look at the fully priced tenders.

Senator MACKAY—So you will be setting up a second evaluation committee that will be evaluating the tenders as they come in. Who will be on that?

Dr Press—I do not know the answer to that at the moment.

Senator MACKAY—Would you be on it?

Dr Press—I will certainly be the person that would have to make the administrative decision inside the Australian Antarctic Division. So that may mean that I should not be on it.

Senator MACKAY—I missed that last bit. You said that you are the person who has the administrative delegation in terms of making the ultimate decision. I missed the second part of your—

Mr Beale—Dr Press was saying that therefore he should not necessarily be on the review panel.

Senator MACKAY—Who is normally on these sorts of review panels? Where are they normally derived from?

Dr Press—That depends on the size of the contract. We would have a specialist financial adviser. We often, depending on the contract, have a special legal adviser and, if there are other aspects involved, we might bring people in from different organisations to be on the evaluation panel.

Senator MACKAY—In terms of the former, are they drawn from within the agency?

Dr Press—Yes, and sometimes we might rely on the professional advice of somebody at the department in Canberra.

Senator MACKAY—In terms of the latter, are stakeholders sometimes derived from outside the agency or outside the department?

Dr Press—I am not sure ‘stakeholders’ is the right term.

Senator MACKAY—What is the right term?

Dr Press—Sometimes we may rely on professional advice, say from the Australian Government Solicitor or some other legal firm. In our shipping contract, for instance, we had specialist shipping advice.

Senator MACKAY—Was that specialist advice actually on the tender committee?

Dr Press—Yes.

Senator MACKAY—Who is currently on the risk assessment committee?

Dr Press—There are representatives of our logistics area inside the Australian Antarctic Division, finance and other parts of the division. We also have an outside consultant.

Senator MACKAY—Who is that?

Dr Press—Off the top of my head I cannot remember the company that the consultant works for, but I can provide that on notice. We have the Bureau of Meteorology and we have the Civil Aviation Safety Authority.

Senator MACKAY—Could you provide the committee with a list of the names of the officers who are on this committee?

Dr Press—I can, yes.

Senator MACKAY—There was some hesitation there.

Dr Press—I was just thinking of the composition of the committee.

Mr Beale—This is before the—

Dr Press—This is the risk assessment process.

Senator MACKAY—Correct, yes. As I understand, the panel for tendering has not been established yet.

Mr Beale—I was trying to think through whether there were any risks involved in naming individuals, before a decision is made, who might be involved in a commercial dealing. Can we just check, because I would not want to expose individuals to—

Senator MACKAY—To lobbying efforts. Fair enough. In terms of the variables that would be considered in the final determinant in relation to the decision, you have indicated price. Presumably price would not be the only determinant. Could you just run me through what variables would be looked at in relation to final decisions?

Dr Press—Very broadly—and this is not a tender evaluation. We would be looking at risk, both to our operations and to life and limb. We would be looking at efficiency, whether the service can be provided efficiently and whether in fact it will deliver what we want it to deliver—and that is increased scientific output. Price, of course, has to be reasonable, and we need to know whether, for the price that is being offered, the service we are getting is cost-effective. We will also be looking at the kinds of infrastructure we need, who will provide those and how they will be provided, and that is at both ends of the equation.

Senator MACKAY—Have there been any discussions with the Tasmanian government in relation to this?

Dr Press—No, there have been no formal discussions with the Tasmanian government, but the Office of Antarctic Affairs, which is a Tasmanian government agency, has been briefed on all of the issues and so has the organisation called the Tasmania Polar Network, which is a group of government and private industry people involved in providing services to Antarctica.

Senator MACKAY—Given that this decision is likely to be made in the 2001-02 financial year, what is the budget for it?

Dr Press—There is no special budget item for it. We do not know what the price will be, because we have never gone through this process before, and we will have to look at the budget impact of it during the year.

Senator MACKAY—So there is no ballpark figure that the division has got in relation to how much the division or the government may have to spend in relation to this matter.

Dr Press—There were some cost estimates in the scoping study, but they have not been refined yet, and they cannot be until we know who is out there and what they can provide.

Senator MACKAY—That is the scoping study that is available on your Internet site.

Dr Press—Yes.

Senator MACKAY—In terms of the final decision, at this stage the assessment will be undertaken or the tendering process will commence mid calendar year. Then the decision will be made thereafter. Is it anticipated that a decision will be made by the end of this calendar year?

Dr Press—I would hope that we could evaluate the tenders and have an answer by the end of the calendar year.

Senator MACKAY—What process will a state have to go through to apply to be the point of departure for this air link?

Dr Press—There is not a process that says a state should be a point of departure. What we have asked for is the provision of air transport services, and it is up to the potential providers to give us an air transport system that will require a place to take off from and a place to land. There are obviously distance considerations and other infrastructure considerations, but there is no process whereby the Northern Territory or Queensland or Western Australia or Tasmania or Victoria or South Australia can put up their hand and say, ‘I want to apply to be the point of departure.’

Senator MACKAY—I understand that, but it may well be that a state government may assist a potential tenderer with infrastructure. This is fairly normal, I would have thought. That would be a matter for the tenderers.

Dr Press—And the state government.

Senator MACKAY—I think I have finished, Senator Calvert.

Senator CALVERT—Can we cast our minds back to 1988-1989 when previous attempts were made to construct an ice strip in Antarctica. What has changed between now and then that makes this option perhaps a viable one?

Dr Press—The honest answer to the 1988-1989 exercise is that it was never completed to the satisfaction of anybody wanting to fly down there. The determination to have an air link has probably increased, and the fact that other options are potentially possible, such as blue ice runways that do not require surface preparation, have all added together to make this potentially a more reasonable option.

Senator CALVERT—It is surprising that they did not try the blue ice option last time, isn't it?

Dr Press—My understanding is that the blue ice sites that are now known were not known in 1988-1989.

Senator CALVERT—That is one of the things that has changed. You mentioned earlier the type of aircraft—C130s. Are there better aircraft available now than there were in 1988—longer range, more adaptable to the types of operations that would be required?

Dr Press—The answer to that is yes, but we still do not know whether the potential service providers have access to those aircraft, so we will need to go the next step and look at the air transport options that they bring forward to us.

Senator CALVERT—One of the other concerns has always been predictions of weather in the area at the time. Have we got a better weather forecasting regime now than we had in 1988 and 1989 that could also be of assistance?

Dr Press—There is certainly a lot more data available, and over the last couple of years we have put in a number of automatic weather stations at potential air transport sites to assist, and

we are continuing that process now. The Bureau of Meteorology has been very much involved in looking at what is required for air transport weather prediction and providing us with advice on a practical level and risk assessment.

Senator CALVERT—Is that work done out of Hobart?

Dr Press—Yes.

Senator CALVERT—You have said you briefed the Tasmanian Polar Network and also the Office of Antarctic Affairs, who have also briefed our politicians of course, as you can imagine they would. Is it intended that the division would be looking to brief politicians and other interested parties further down the track when more knowledge becomes available of what is happening?

Dr Press—Yes, if that were the wish of the minister.

Senator CALVERT—I suppose the equipment that was used in the 1988 or 1989 efforts would be of not much use these days. The raiders and rollers that were used are still there; is that right?

Dr Press—Yes.

Senator CALVERT—Would they be of any use?

Dr Press—Yes.

Senator CALVERT—They would.

Dr Press—They would be for the construction of a compressed snow runway, yes.

Senator CALVERT—They have been kept in some sort of condition, have they?

Dr Press—Yes.

Senator CALVERT—Good. I do not have any more questions.

Dr Press—I will give you some of the information you require now. From the original expressions of interest, six of those people are on the current short-list; one expression of interest withdrew; and one was not short-listed. There were eight that came through.

Senator MACKAY—We went from 12 to eight.

Dr Press—Yes.

Senator MACKAY—Then there were seven, and then there were six. Is that right?

Dr Press—In addition, three companies approached the Australian Antarctic Division after the expression of interest deadline, and these have been asked to provide expressions of interest by 22 June for evaluation.

Senator MACKAY—Thank you.

Senator BARTLETT—In relation to the Antarctic animal care and ethics committee and the issue of seal branding on Macquarie Island, after that incident my recollection is that the minister requested a review of the operation of that ethics committee. Has that occurred?

Dr Press—No. The minister requested a review of the procedures, and that has been undertaken, and it has been published and released. There was also an independent veterinarian's report on the matter, and that has also been received, responded to and released publicly. The Antarctic animal care and ethics committee is subject to periodic reviews

because it is a non-statutory departmental committee, and it is scheduled to be reviewed in the near future.

Senator BARTLETT—Are there details on how many proposals the committee has examined, say, in the last 12 months?

Dr Press—They are published every year and they are publicly available.

Senator BARTLETT—That is just in terms of the numbers and also the details of the proposals.

Dr Press—Yes.

Senator BARTLETT—Those details are contained in your annual report, are they?

Dr Press—They are contained in a report provided to the minister and to the state government by the Antarctic animal care and ethics committee and that is publicly available.

Senator BARTLETT—The seal branding is not occurring any more now, is it?

Dr Press—No, it has not been done since last year.

Senator BARTLETT—There is no proposal to reintroduce anything along those lines?

Dr Press—There is no proposal.

Senator BARTLETT—That was all on that.

CHAIR—Any other questions, Senator?

Senator BOLKUS—Yes. Is the Antarctic Division going to go through a performance evaluation—I gather from page 109 of the PBS? Has this pricing review started as yet? Page 109 of the PBS talks of a joint Antarctic Division-DOFA output pricing review?

Dr Press—That was last year's—

Senator BOLKUS—It was last year's. It further states that the outcomes of the review will be taken into account in the 2001-02 budget process. Has that happened?

Dr Press—Yes.

Senator BOLKUS—What has it meant; what has been the outcome of it?

Dr Press—The price of the Australia Antarctic Division's outputs was considered to be reasonable.

Senator BOLKUS—Do you know what the review cost?

Dr Press—We budgeted a marginal increase in our expenditure in that area of around about \$140,000, but it cost less than that.

Senator BOLKUS—Can you tell us what grant schemes the division administers?

Dr Press—We run an Antarctic research grant scheme, which is part of our departmental appropriation.

Senator BOLKUS—What is the budget for that; is it the \$570,000?

Dr Press—Yes, it is around about \$600,000 this year.

Senator BOLKUS—That program has been moved from administer to departmental expenses; why is that?

Dr Press—It was through our discussions with the department of finance about how to structure our budget. They agreed with that particular move.

Senator BOLKUS—Did you put it up or did they put it up?

Dr Press—Yes, we proposed it and the department of finance agreed.

Senator BOLKUS—Last year's budget was \$570,000; what is this forthcoming year's?

Dr Press—This year it is \$600,000.

Senator BOLKUS—Where do we find that on the budget papers?

Dr Press—I do not think you will find it in the yellow book because we apportion the research that is done, under that program, to the output areas. But most of it would come in under science of practical economic or national significance.

Senator BOLKUS—Which output is that?

Dr Press—\$3.4 million.

Senator BOLKUS—Does that show a commensurate increase between this current year and next year?

Dr Press—Overall it is going to show a slight decrease because of the overall budget position. We had some changes to our parameters which meant that our budget is slightly less this year overall.

Senator BOLKUS—You tell me that it is going to be \$600,000 next year.

Dr Press—Yes.

Senator BOLKUS—But that particular part of the program will stay at \$600,000; that will not be decreased obviously. How much of this current year's funding has not as yet been spent?

Dr Press—We estimate, on our projection, that we may be around about \$500,000 underspent, which is half a per cent, about two or three days trading. That is our current projection.

Senator BOLKUS—You might be \$500,000 underspent?

Dr Press—Underspent.

Senator BOLKUS—I am talking about this grants program.

Dr Press—It has all be expended.

Senator BOLKUS—Can you tell us how much had been spent by 1 January this year?

Dr Press—The entire grant would have been issued by 1 January. We run a process where we called for research applications; they are assessed; they are evaluated; and then the grants are all given out in one hit. This is to tie in with the Antarctic seasons and the academic years.

Senator BOLKUS—When do you normally call for applications?

Dr Press—We have changed that recently. We are calling for applications at the moment.

Senator BOLKUS—Who does the evaluation?

Dr Press—Each application is peer reviewed and then they are evaluated by two Antarctic research advisory committees: one on biological sciences and one on physical sciences.

Senator BOLKUS—You go through the process of evaluation now. Who makes the actual decision—the evaluation committee or yourself?

Dr Press—No. The evaluation committee makes recommendations which go through me to the minister.

Senator BOLKUS—In the last financial year, can you tell us when they went to the minister? You can take that on notice if you like. Can you tell us how many were recommended for funding and how many finally received funding?

Dr Press—I can answer that. All that were recommended received funding.

Senator BOLKUS—Did any others receive funding over and above those recommended?

Dr Press—No. In order to get an Antarctic research grant, you need to be recommended.

Senator BOLKUS—When do you anticipate the evaluation committees making recommendations of this year's program you are advertising now?

Dr Press—As I said, they have changed the—

Senator BOLKUS—Take it on notice.

Dr Press—Yes, I will take it on notice.

Senator BOLKUS—Are these grants affected by the caretaker conventions for when elections are called? Is this grant process affected by that?

Mr Beale—I think you would have to look at the conventions circular which comes out at the appropriate stage and make a decision about whether or not they were controversial and urgent and, if they were urgent, whether or not there would be a need to seek clearance from both political parties. I would rather wait.

Senator BOLKUS—You do not know what has happened in the past?

Mr Beale—I cannot recall this issue arising during a caretaker period.

Senator BOLKUS—You would make an assessment on whether the grants were urgent as to whether they could be announced during an election period.

Mr Beale—I would look at the circular which comes out and consider it—I was not referring specifically to grants but in general to contract decisions—and then proceed to provide advice accordingly.

Senator BOLKUS—Do you remember the last circular? The circulars seem to be the same over recent years, do they not?

Mr Beale—They vary a little.

Senator BOLKUS—You think they vary?

Mr Beale—From time to time. The main thrust is to avoid matters that are likely to be a matter of controversy during that period.

Senator BOLKUS—Is that the main point or is it that essentially—

Mr Beale—It would bind an incoming government in a way that might not be in accordance with their intentions, but some decisions on some matters do have to be addressed during the period and there are processes set out for doing that.

Senator BOLKUS—Your interpretation allows for—and digressing from this particular grants program—grants to be announced during the election period?

Mr Beale—Again, there is a difference between what the department does and what ministers do. We went over this at considerable length, I think, in 1999.

Senator BOLKUS—You might have gone through that in 1999, but I am seeking to refresh my recollection and probably yours at the same time about the operation of the grants convention.

Mr Beale—I would have to go back and look at the convention.

Senator BOLKUS—You would have to go back and look at it?

Mr Beale—I would have to look at past circulars. But, again, I think these things are best addressed at the time.

Senator BOLKUS—I think they are best addressed now, Mr Beale. We are about to go in to an election period, and I would like to get a commitment from you, for instance, that you understand that election period should put grants programs on hold and that grants really shouldn't be announced during an election period. Is that your understanding of it or not?

Mr Beale—You can get a commitment from me that I will examine the circular when it comes around and provide advice in accordance with that circular.

Senator BOLKUS—In your experience, the operation of the caretaker convention would require that a grants process be frozen, would it not?

Mr Beale—There are circumstances—and I am not sure that I can recall a grant decision being made after the commencement of caretaker period—where I can recall contracts being entered into and announcements made during the caretaker period. In some circumstances that has required consultation with the opposition.

Senator BOLKUS—You can anticipate circumstances in which a grant decision can be made without consultation with the opposition?

Mr Beale—We would need to examine the particular circumstances, and I do not think it is really appropriate for me to answer that theoretically.

Senator BOLKUS—Why not? You will be in the middle of all this if decisions are made and announcements are made during the election period. Your understanding of the convention is that such decisions cannot bind an incoming government, aren't you?

Mr Beale—I have indicated that broadly the convention is to deal with the urgent matters of government that must be dealt with—the processes of government do have to continue—but to attempt to avoid those matters that are likely to be of party political controversy and making decisions on those matters during that period.

Senator BOLKUS—Is it just decisions that might be of party political controversy or is it actual—

Mr Beale—Decisions that would substantially constrain the capacity of an incoming government, but there will be a range of routine activities in terms of contracts—and sometimes the line between grants and contracts is a fine one—that will need to proceed. The undertaking I can give is that, when the circular is issued, I will read it, strive to follow it, consult the Prime Minister's department if I have uncertainties and provide my advice accordingly.

Senator BOLKUS—What implications do you draw from the distinction you are trying to make between a contract and a grant—a contract can bind an incoming government but a grant cannot?

Mr Beale—No. They both can be matters that bind the Commonwealth once they have been executed. It is the form of the provision of finance that decides whether or not it is a

grant or a contract, and sometimes it is a fine line as to which approach is taken. In this particular case, these are primarily research grants. As Dr Press has indicated, they can only be made if they have been recommended by the relevant scientific committees. And my understanding is that most of them would be \$20,000 or less.

Senator BOLKUS—I go back to this distinction you are trying to make between grants and contracts. I imagine you would maintain that under NHT, for instance, there would be some arrangements which would be contractual rather than just a grant.

Mr Beale—I was simply saying that I was aware of circumstances in the past where contracts have been entered into by the government of the day during the caretaker period as part of the ongoing business of government and in accordance with the steps set out in the circular that is issued when the caretaker period starts.

Senator BOLKUS—That is with the agreement of the opposition.

Mr Beale—If that is required under those conventions.

Senator BOLKUS—Why do you distinguish between contract and grant?

Mr Beale—I have certain knowledge of contracts that have been let in this way, going back over many years.

Senator BOLKUS—But that is your understanding whether it is a contract or a grant.

Mr Beale—The issue is primarily to the making of decisions. I am also aware of announcements that have occurred in the past during election campaigns when decisions have been taken prior to that in relation to grants, as I recall.

Senator BOLKUS—Are you saying to us that you are not prepared to give us your understanding of the convention until you see the circular from finance?

Mr Beale—The circular comes from the Prime Minister's department. I will refresh my mind, but I think the better course is to wait until the circular is provided and undertake that of course we would be expected to act in accordance with the circular.

Senator BOLKUS—I do not want to verbal you, but would it be fair enough to say that what you are saying is that decisions to bind incoming governments without consultation, whether they are contractual or grants, cannot be made during that period?

Mr Beale—That is probably going a little too far, but I would need to look again at the convention.

Senator BOLKUS—Where do you think it goes too far?

Mr Beale—There would be a number of day-to-day decisions taken within the department that are likely to be so uncontroversial that if we are tempted to raise them with the parties contesting the election we would be regarded as wasting valuable time.

Senator BOLKUS—From that I could fairly draw the inference that an NHT grant or contract does not qualify—

Mr Beale—I am not making any comments about any specific programs or grants. That is just a general comment.

Senator BOLKUS—The qualification you just drew was for those nuts and bolts matters, in terms of the operation of the department. Could you see an NHT process grant or contract being included in those nuts and bolts exemptions or not?

Mr Beale—I think it would better if we dealt with this issue when the NHT programs are before the committee.

Senator BOLKUS—Not necessarily, Mr Beale. This is something that has come up now. I have got other questions to ask about the NHT. I want to get your understanding of the caretaker convention.

Mr Beale—You have got as far as you are going to get.

Senator BOLKUS—Who are the recipients of the grants this years, Dr Press?

Dr Press—Do you ask who are the recipients?

Senator BOLKUS—Yes. Can we get a table? Do you want to take that on notice?

Dr Press—Yes, sure.

Senator BOLKUS—You take that on notice.

Dr Press—It is available.

Senator BOLKUS—Yes, thank you very much.

CHAIR—We are scheduled to break for lunch. We could now call the Great Barrier Reef Marine Park Authority or, we could have lunch and then call them after lunch. I seek direction from my colleagues.

Senator BOLKUS—There is another alternative. I have only got two or three questions in respect to the Sydney Harbour Federation Trust.

CHAIR—What we will do is call the Sydney Harbour Federation Trust and we will do the Great Barrier Reef Marine Park Authority immediately after lunch

[12.42 p.m.]

Sydney Harbour Federation Trust

Senator BOLKUS—I just have a few questions. There is a report in this morning's *Sydney Morning Herald* about the future of the former Marine Biological Research Station at Watsons Bay; can you tell us whether this site has been considered for inclusion in the trust?

Mr Bailey—The answer in detail is no. It has been mooted by community groups and we are aware of the suggestion, but we have not given it any serious consideration.

Senator BOLKUS—Is it listed in the National Estate?

Mr Bailey—I do not know the answer to that.

Senator BOLKUS—If the minister were here, we would ask him.

Mr Beale—We could take that on notice; we just have to consult the computer list.

Senator BOLKUS—Is it listed in the National Estate; would advice be sought from the environment minister under the AHC Act? Has advice been sought from the trust as to what to do with this property or what can be done?

Mr Bailey—No.

Senator BOLKUS—Has any evaluation been made?

Mr Bailey—Evaluation or valuation?

Senator BOLKUS—Valuation.

Mr Bailey—Not that I am aware of.

Senator BOLKUS—Evaluation?

Mr Bailey—Neither.

Senator BOLKUS—The report also says that the trust has had informal discussions about adding the station to its portfolio. Are you aware of that?

Mr Bailey—I am only aware of informal discussions within the department that have suggested the possibility, but the discussions have gone no further than the possibility generally being mooted; that is all.

Senator BOLKUS—You have not been involved in the discussions?

Mr Bailey—No.

Senator Hill—What is that?

Senator BOLKUS—This is the Marine Biological Research Station at Watsons Bay. Are you aware that—

Mr Beale—I am pretty sure that we did address that at the last meeting of the commission—to put it on the Register of the National Estate. I did not hear the question originally.

Senator BOLKUS—You discussed it; what did you decide?

Mr Beale—I am pretty sure we decided to put it on the Register of the National Estate, but we will check that for you.

Senator BOLKUS—If that were the case—so to an extent it is a little hypothetical—or if you do decide to do that; would that in any sense curtail the capacity for this area to be sold for housing development? We have a bit of a problem, Minister. You have got the trust that wants to have it registered on the National Estate and you have got the Defence Housing Authority and its parliamentary secretary considering options for its sale. I am just trying to see what steps this department will take or the trust will take to protect its National Estate values?

Senator Hill—It is not for the Sydney Harbour Trust to primarily address National Trust values, but if property becomes available that fits our goal of building a suite of unique harbourside properties that fortuitously become available as a result of change in government functions then we are always interested. I do not know any of the details of this or what the proposal is in relation to this particular piece of land.

Mr Beale—There are two aspect to it: there is the National Estate value of the property, together with publicly owned land which has open space—

Senator Hill—The open space could be on the Register of the National Estate as well. There is, as you know, an obligation on the Commonwealth, if it is dealing with a matter that is on the Register of the National Estate, but that is separate and distinct from the functions of this particular trust.

Senator BOLKUS—Other than the fact that the trust has considered, from what Mr Beale told us, National Estate registration for this property.

Senator Hill—That the trust has?

Mr Beale—No, not the trust; the commission, the Australian Heritage Commission.

Senator Hill—I think there is confusion—

Senator BOLKUS—The commission has decided to list it. The commission has decided to list it; it is obviously of heritage interest concern and value. Are you concerned, for instance, that there might be some steps to considering options for sale?

Senator Hill—You can sell, subject to it being on the Register of the National Estate; that happens all the time. But you have to meet the obligations of the section 30 of the AHC Act, but now there are also obligations under the EPBC Act.

Senator BOLKUS—So if the Defence Housing Authority are considering options for sale, you would be relaxed about it?

Senator Hill—It is not a question of me being relaxed; I do not know what their proposal is. What I am saying is that, in taking an action to sell a Commonwealth property that is on the Register of the National Estate, they have to comply with both the provisions of the Australian Heritage Commission Act and also the EPBC Act.

Senator BARTLETT—I am just wondering about the terms of the operation of the trust. It says right at the start of the PBS that the trust is expected to become the fourth statutory authority in 2001-02. What is your actual status at the moment? Are you still in an interim phase or are you—

Mr Bailey—We are still technically in an interim phase; we are awaiting the response from the New South Wales government for nominations.

Senator Hill—Has the act been proclaimed?

Senator BOLKUS—What was that?

Mr Bailey—Royal assent was granted on 20 March but proclamation has not happened yet.

Senator Hill—The act has not yet been proclaimed; as soon as it is proclaimed they will assume their separate statutory authority.

Senator BARTLETT—I was just wondering whether there are any reasons why it has not been proclaimed yet. Are there things that need to be put in place first, or anything like that?

Senator Hill—I do not think there is; it is just the wheels turning at the usual pace.

Senator BOLKUS—It looks like you have not invented the wheel yet.

Senator BARTLETT—Is that having any impact in terms of the operations in terms of getting things in place?

Mr Beale—No.

Senator Hill—It is going well. As you would know, the proposals, the ideas for each of the sites, are now on public exhibition in Sydney and there has been a great deal of interest in those.

Senator BARTLETT—Since the act passed through here in terms of putting up proposals and public input, what is the sort of time line of what has been done and what is proposed next, and that sort of thing?

Mr Bailey—The main focus has been to prepare the initial ideas and prepare a planning exhibition, which opened a week ago at Customs House, and most of our energies have been directed to that. I have a publication which is a precis of that exhibition here if you would like that. We will await the broad community response to that exhibition. We are looking for feedback. We have questionnaire forms and so forth. We are hoping to have the first-cut draft

plans available for public comment early in the near calendar year. We will respond to the sorts of reactions we have had to our initial concepts.

Senator BARTLETT—Have you got other mechanisms being put in place in terms of community consultation with the councils and other community groups, and what sort of structures are there now?

Mr Bailey—The major formal structure is a community advisory committee system. There is a committee that has been established for each of the four main areas, and they have between 12 and 15 members each. Councils are represented on all of those as are all of the major community groups and private individuals, and they meet roughly once a month, so we have four meetings a month for each of those committees. In addition to that, there are dozens of community group meetings where we meet specific special interest groups and/or individuals and councils. On average I would attend about two community meetings per week in the evening.

Senator Hill—I attended the public launch of the concept plans, and it seemed to me that all of the groups were represented there and were basically very supportive of and enthusiastic about the way in which the staff of the trust and their planning team in particular—including the planners, the architects who are not employed by the trust—were going about their tasks. There seems to be a lot of community support now for this process.

Senator BARTLETT—What is the situation with the board—is that the correct term—for the trust? Is that established and people on that?

Senator Hill—When it is proclaimed we will then move to the appointment of a statutory board rather than an interim board. We keep writing to the New South Wales government inviting them to nominate two representatives, but so far they have not been prepared to do so.

Senator BARTLETT—In terms of the other positions, you have got people lined up to take up positions on the board once proclamation happens?

Senator Hill—Not wanting to jump the gun, I have to say that people who have been working on the interim board have done a good job—it is quite difficult early on—but they are now delivering the goods despite the difficulties. As you know, we have to appoint someone with an indigenous background and we undertook to consult on that and we are doing that at the moment, and we also have to appoint somebody from local government, and we are consulting on that at the moment.

Senator BARTLETT—With respect to the input from the New South Wales government, taking from your comment there, it does not sound like they are enthusiastically embracing the whole process just yet?

Senator Hill—Certainly not publicly. There are rumours that behind the scenes there might be some movement. I have certainly said before and I will say again that there may have been differences between the Commonwealth and the state early on, but we do believe that the best outcome is going to be achieved through a cooperative endeavour between the two governments, and we would like the New South Wales government to come on board and be part of the ongoing process.

Senator BARTLETT—There was some uncertainty at one stage about the actual ownership, if you like, of an area at North Head. Is that still subject to dispute or is it still being clarified?

Senator Hill—There are still differences of view on that particular matter. It seems to me that, as the trust is designed to have a limited life, 10 years and the property will be then transferred to an ultimate repository—which, in the case of North Head in all likelihood, would be the New South Wales government—that rather than argue about the legalities it would be better if we both got on with the job to hand, which is the identification of values, the remedial and conservation work that needs to be done, the planning work and the like.

Senator BARTLETT—How essential is the cooperation of the New South Wales government, particularly as I recall, for that area in the Manly region where it is surrounded by other land that is managed by the state government? Does that generate any problems in terms of being able to most effectively manage and rehabilitate and transfer?

Senator Hill—Not at this stage. From a public perception point of view apart from anything else, it must be difficult for the public to understand why the New South Wales government still does not want to be part of this. They are not being asked to put in funding or anything; they are simply being invited to be part of devising what is going to be the best long-term use of these lands and to assist in the planning and conservation task.

Senator BARTLETT—If the state government does not put up any names for the board of the trust, will you just leave those sitting vacant?

Senator Hill—That is correct.

Senator BARTLETT—The funding of the trust: it is stated in PBS on page 39 that the government is going to reallocate up to \$14 million from existing Federation Fund allocations. In the blue book on page 73 there is a footnote that says the \$14 million will include \$2 million of departmental appropriation plus 12 from the Federation Fund, which again adds up to 14, but just in terms of where the 14 is being drawn from, is it just going to be 12 from the Federation Fund, or is that likely to increase to 14, as is suggested in the PBS statement?

Senator Hill—Mr Beale tells me the \$2 million is a carryover.

Senator BARTLETT—It is a carryover from last year?

Mr Beale—That is correct. The additional funding was from the Federation Fund.

Senator BARTLETT—So the department has not been supplemented or got any extra? It is just unspent?

Senator Hill—There are going to be obviously long term funding issues, because we still do not know what is going to be the full financial burden of the trust in relation to its responsibilities, because until the property plans are prepared and decisions have been made as to what buildings will remain, what buildings will go, and what restoration is necessary, it is very difficult to get a handle on what will be the financial costs of the commitment that has been made.

Senator BARTLETT—On that point, Mr Bailey, you are to about to get into being a fully fledged statutory authority, and yet in terms of any sort of planning you have got a blank slate after the end of next year. How are you managing to formulate your 10-year plan in terms of this structure without any real idea of not only source of income but level required.

Mr Bailey—It is one step at a time, and the first step is to prepare the plans, and costings will come out of that. These next 12 months are crucial just to devise those plans, obtain public support for them if possible, and proceed from there, and costings will come out of that. They will be the 10-year or eight-year plan; whatever is left.

Senator BARTLETT—Later on I will have a look at that document you said you brought along, which might enlighten me a bit more as well, but in terms of the proposals you have put forward to date for public comment et cetera, how much does that detail revenue options?

Mr Bailey—It does not detail any revenue options. Revenue was not a consideration in the planning. It was at this stage really just to canvass a wide variety of options and to gauge public response to those.

Senator BARTLETT—The draft plans you were talking about putting out in the new year: are they likely to incorporate revenue aspects?

Mr Bailey—We would hope they have very preliminary cost implications, yes.

Senator BARTLETT—You were saying you are taking it one step at a time and that the step at this stage is totally what sort of plan will deliver the outcomes in terms of protecting the heritage environmental values and then you will worry about how we are going to pay for it after that?

Mr Bailey—That is right.

Senator BOLKUS—The minister said he was consulting as to the appointment of an indigenous representative. Have you consulted with ATSIC as yet?

Senator Hill—I am not sure who has been consulted.

Senator BOLKUS—Do you know who is doing the consultations?

Senator Hill—I am not sure of the detail. All I remember is that I wrote on a brief ‘We need to consult’ or ‘I have undertaken to consult’.

Senator BOLKUS—When was that, Minister?

Senator Hill—A few weeks ago.

Senator BOLKUS—What has happened since, Mr Beale?

Senator Hill—I do not know if it would have gone back to him.

Mr Beale—I do not think that—

Senator BOLKUS—Can you tell us—

Senator Hill—We gave the Democrats a commitment to consult, and we will consult. That was the purpose of me noting that on the brief.

Senator BOLKUS—You are not ready to make your appointments anyway, and there is all this stuff about New South Wales?

Senator Hill—No, I have not made a choice on the indigenous person.

Senator BOLKUS—You do not even know if the consultation process has started yet?

Senator Hill—I know there have been some discussions because the brief that I received had certain options, but I thought there needed to be more consultation.

Senator BOLKUS—Have ATSIC been consulted in the development of those options?

Senator Hill—I do not know whether ATSIC has been consulted.

Senator BOLKUS—Does anyone know?

Senator Hill—I think it came from the Heritage Commission. We will have to get you an answer.

Senator BOLKUS—After lunch.

Mr Beale—Senator, before we go, I undertook to check whether or not that marine research station was on the Register of the National Estate: it is, it has been for some time, and at the last board meeting the commission varied the value statement. It is subject to section 30 of the AHC Act and the EPBC Act.

Senator BOLKUS—SO the minister will have to take advice?

Mr Beale—The action minister would have to.

Senator BOLKUS—What are the responsibilities of the environment minister?

Mr Beale—Those would be under the EPBC Act.

Senator Hill—I think the provision is that I have got to be satisfied that the heritage values are being protected.

Senator BOLKUS—There is no alternative, or is that the AHC Act?

Mr Beale—That is the AHC Act.

Senator Hill—That is the AHC provision.

Senator BOLKUS—You have to be satisfied as to that as well?

Senator Hill—No, that is the responsibility of the agency, not of the commission nor the minister. It is an obligation placed on, in this case, the Defence Housing Authority.

Senator BOLKUS—Or their parliamentary secretary or the agency itself?

Mr Beale—I am not absolutely sure where that responsibility legally would lie between the agency and the parliamentary secretary.

Senator BOLKUS—Can you find out?

Senator Hill—Yes.

Senator BOLKUS—Thank you.

Proceedings suspended from 1.05 p.m. to 2.08 p.m.

Great Barrier Reef Marine Park Authority

CHAIR—In the absence of the minister we will get under way.

Senator BOLKUS—There seems to have been a shortfall with the environmental management charge of about \$1.7 million. Is that so, and can you tell us why?

Ms Chadwick—Mr Bell, who is head of our corporate services, may care to elaborate but, in simple terms, it needs to be put into a historical context. As you would be aware, some years ago now there was an increase in the EMC from \$1 to \$4. Not surprisingly, this attracted some controversy amongst the marine tourism industry. As a result of that there were massive negotiations, and some concessions granted to alleviate the immediate impact of this. At that time there was an assessment made, on the best judgment of GBRMPA, that the shortfall resulting from these concessions would be in the order of \$150,000.

Senator BOLKUS—When was that assessment made?

Ms Chadwick—This was back in 1998. Two things have occurred since then. One is that the EMC has been in place for a couple of years, so we have been able to see how the figures are panning out. Secondly, there has been a shift in the nature of some aspects of marine tourism such that, for example, people are going on trips of more than three days, which

means one of the concessions cuts in there. As a result of this, we did an assessment of just what that shortfall was. Instead of it being the anticipated \$150,000, it is in fact considerably higher. We, obviously, are very keen to make sure that we do not miss out at GBRMPA as a result of these concessions. As a result we put in a budget bid for a variation to make up this shortfall because, in the past, since 1998, we have in fact been recompensed for these concessions. What the budget enhancement does this time is to recognise that there has been a shortfall and that the shortfall is greater than was anticipated in 1998, and hence the recompense to GBRMPA has been made.

Senator BOLKUS—You mention two seemingly different factors; they may be the same. You said that a lot more people are spending more than three days, so the concession cuts in. Is that the main reason?

Ms Chadwick—I said that there are two reasons. One is the changing pattern, which means more people are swept up as being eligible to access the concessions. The second thing is that GBRMPA was inaccurate in its assessment a couple of years back on just what the shortfall in funding would be as a result of these concessions being granted.

Senator BOLKUS—How far off was it?

Ms Chadwick—It was in the order of \$350,000 to \$400,000.

Mr Bell—The estimates were about \$300,000 short. The estimates were calculated upon the information that was available at that particular time, which unfortunately was not as accurate as we would have hoped.

Senator BOLKUS—So it is \$350,000 to \$400,000 in respect of the more than three days concession. What about the other \$1.3 million? What concessions were used to reduce the income there?

Ms Chadwick—That money is over a period of years.

Mr Bell—That is over a four-year period.

Ms Chadwick—I am pleased to say that I was not around in 1998—but people tell me that the debate over the increase in EMC was somewhat frisky. In defence of GBRMPA in its estimate that there would be \$150,000 shortfall in the concessions: the tourism industry was not particularly thrilled about negotiating with us at the time, so in part that probably explains the inaccuracy in our estimates.

Senator BOLKUS—Is there a smaller number of visitors than was expected at the time?

Ms Chadwick—No. There are two things that are happening. One is that, while there is a changing pattern in visitation, visitor numbers overall appear to have plateaued. There is a change in the nature of some aspects of marine tourism. For example, the three-four day dive trip industry appears to be going very well.

Senator BOLKUS—Was that plateau expected?

Ms Chadwick—I am not an industry analyst, so I—

Senator BOLKUS—Maybe Mr Bell can help us there.

Mr Bell—It is very difficult to speculate about the tourist visitation numbers because of variables such as the Olympic Games and changes in the value of the dollar, et cetera. There are a number of factors in play.

Ms Chadwick—When I say that I am not an industry analyst—while I have an interest in tourism—it is totally impossible to speculate. On one hand, one could say the falling value of the Australia dollar should attract tourists to the Great Barrier Reef. On the other hand, the Asian economic crisis probably depresses part of our traditional market. It probably needs a greater tourism expert than I to—

Senator BOLKUS—We must have had some projections at that stage. You have mentioned two factors: the Olympics, which probably would have brought more people to Australia, and the value of the dollar, which would have done the same thing. What were your projections three or four years ago and was that plateau expected?

Mr Bell—I will have to take that question on notice. I was not with the organisation at that time. In regard to that, our projections would have been based on tourist industry figures, whatever they would have been at the time.

Senator BOLKUS—I have not got to asking what it is based on. I am actually trying to get what your projection was and whether in fact there was a decrease. When the chair says there was no decrease but it plateaued, I want to know whether in fact the plateau reflects a decrease. You will get the figures on notice. Does anyone else around the table know what the figures might be?

Ms Chadwick—The other thing that I think is relevant in many ways—

Senator BOLKUS—I am sorry, Ms Chadwick, before you think what is relevant, I just ask other officers if they know the answer to the question.

Senator Hill—What is the question? I might know.

Senator BOLKUS—I do not think you would—on past performance today, Senator.

Senator Hill—There have been rises and falls but overall tourist numbers are as projected.

Senator BOLKUS—You do not know that. I do not want you to mislead the Senate. I am trying to save you from yourself.

Senator Hill—I am reasonably confident in that. The revenue was not as predicted because, as Ms Chadwick said, the mix of activities has changed. That has meant that tourists have tended to choose the activities for which GBRMPA does not earn revenue.

Senator BOLKUS—We will be getting those figures on notice. Minister, now that you have come into the game: you have got a ministerial council meeting this week?

Senator Hill—Correct.

Senator BOLKUS—Can you tell us what the agenda is?

Senator Hill—We will review progress on the trawl plan. We will review progress on the dugong protected areas. We will be looking at the line fishing industry. We will be looking at issues relating to catchment sourced pollutants. We will be looking at getting a brief on process on the rep areas program.

Senator BOLKUS—Is there any proposal to discuss the commercial collection of coral?

Senator Hill—Yes. I have decided that commercial coral harvesting should be phased out.

Senator BOLKUS—Over what period?

Senator Hill—Details are yet to be determined. I think it would surprise most Australians that in fact there is a commercial coral harvesting industry that is under the authority of the Queensland government, which takes its resource from the Great Barrier Reef.

Senator BOLKUS—Is it across the reef or is it in one location?

Senator Hill—It is a number of locations, but it could be wherever they are permitted to do so. It is small, but I think that it is just incompatible with the fundamental value for which the world heritage has been obtained.

Senator BOLKUS—Good luck with it. You mentioned the trawl plan. That had a budget of \$10 million last financial year.

Senator Hill—Yes.

Senator BOLKUS—How is it going to be funded this forthcoming financial year?

Senator Hill—The \$10 million was added to \$10 million from the Queensland government, together with an equivalent of a \$10 million contribution from industry in terms of accepting a clawback. That funding has been utilised to achieve about a 15 per cent reduction in trawl effort, basically through buying out licences. That was implemented in the first few months of this year. There are still residual issues that have to be resolved but progress is being made on those, and those matters will be reported on.

Senator BOLKUS—All up it is \$30 million. You say that has all been spent during this financial year?

Senator Hill—Yes. A structural adjustment scheme was put in place. It went through all its public disclosure provisions and so forth towards the end of last year. Some money was settled about Christmas time. Bids had been submitted by licence owners who wanted to be bought out. There is a new trawl management plan, which is the basis of it all, with special emphasis to ensure not unfair treatment of small operators. It is a once-off payment.

Senator BOLKUS—Given that you just said there are issues outstanding, there is a plan that obviously needs to be implemented and it is on the agenda for this week's ministerial council, what amount of money would you assess would be required on an ongoing basis to keep the plan in place?

Senator Hill—There is no future payment to licence holders. The plan gets reviewed in 2003. There are various trigger provisions for further action. Basically, the funding for the structural adjustment has been made and paid.

Ms Chadwick—The interests of GBRMPA in auditing the plan and monitoring the plan will be absorbed within our budget and, as ever, the day-to-day management in terms of enforcement and surveillance aspects of the plan will be incorporated in our day-to-day management budget. We already see that as part of our job.

Senator BOLKUS—Do you have any idea what it might cost?

Ms Chadwick—No, because it would be absorbed within the general enforcement and surveillance of day-to-day management, which represents about \$9 million a year.

Senator BOLKUS—So you would not need extra staff, extra resources or extra travelling allowance, budgets, and so on?

Ms Chadwick—I could always do with that, Senator.

Senator BOLKUS—I am not saying you could do with it; I am asking: won't this entail that?

Ms Chadwick—No, because the plan is in fact Queensland's plan.

Senator BOLKUS—How do you anticipate spending the \$1.7 million over four years listed in the PBS for the management of aquaculture impacts?

Ms Chadwick—It will be on two broad aspects. The first is to assist us in the assessment of applications and in the provision of advice to proponents who approach us informally as well as formally. It will also be in administration in terms of liaising with our counterparts in Environment Australia, because some applications are caught under GBRMPA Act and our regulations and some under EPBC. It will also be used in administration in terms of liaising with Queensland because, clearly, so much of the legislative land based provisions are theirs. In addition, there is more this year than there will be in the next three years. That will allow us to buy some equipment—some quite practical, some quite technical—which will fulfil our charter to actually monitor and audit so that we have some ongoing teeth and a capacity to give assurances that in fact the provisions of a permit are being followed.

Senator BOLKUS—You say it is more this year than the other three years. Can you tell us how much in each year?

Mr Bell—It is at page 240: \$535,000 in 2001-02; \$456,000 in 2002-03; \$360,000 in 2003-04 and \$365,000 in 2004-05.

Senator BOLKUS—That is for monitoring and auditing licence holders?

Ms Chadwick—Yes. There are two aspects. The first is the formal assessment of a permit application and all the liaison that goes with that. The second is to ensure that we can actually keep on with auditing and monitoring to make sure the terms of the permit are being followed.

Senator BOLKUS—What sort of equipment is necessary to purchase in the first couple of years?

Mr Manson—Apart from access to a vehicle, which will be either purchased or leased, the other equipment is water testing and sampling machinery which will enable a field officer to take samples. Those samples will then need to be stored and properly transferred to an independent testing agent.

Senator BOLKUS—We are talking about an industry with enormous anticipated growth. Is this amount of money sufficient, do you think?

Ms Chadwick—I believe so. It was our estimate of what was needed and I am grateful that in fact we received that enhancement. If it proves to be inadequate we will try again next year, but we believe it is adequate for our purposes.

Senator BOLKUS—This was your own analysis, was it—\$1.704 million?

Ms Chadwick—Yes.

Senator BOLKUS—Spread out the way it is being spread out?

Ms Chadwick—Yes.

Senator BOLKUS—Minister, you also mention dugongs. The database for the year 2000 found that three had died from netting. Were they found in the Great Barrier Reef Marine Park?

Senator Hill—Mr Tanzer is generally the expert on dugong.

Ms Chadwick—In the year 2000, we had 77 carcasses for the entirety of Queensland. Of those, 51 were from within the GBR. In terms of entanglement in nets, there were three.

Senator BOLKUS—Were they in the Great Barrier Reef Marine Park?

Ms Chadwick—I am unable to verify that but I am most certainly happy to take it on notice.

Senator BOLKUS—Would Mr Tanzer know?

Mr Tanzer—I do not know. There were 77 carcasses that were found dead in Queensland. There were three which were definitely identified as having died after entanglement in nets. My knowledge is that at least two of those were outside the park, in the Hervey Bay area, and one may have been inside the park. We will check that and get the exact figures. I do not have them in front of me at the moment.

Senator BOLKUS—And we do not know whether they were in the zone B protected areas—or where?

Mr Tanzer—I do not have that in front of me. But we pay particular attention to any dugong carcasses that are found. We pay even more specific attention if they are located in a dugong protection area and then we pay forensic attention if they have got net marks on them. I cannot recall a dugong carcass with net marks on it in DPA—A or B.

Senator BOLKUS—How do you think the zone B system is working?

Ms Chadwick—From the aerial surveys that have been conducted—we are now seeing perhaps migration but certainly aggregation of dugong in the dugong protection areas and we are seeing a modest increase in the yet still worrying numbers, overall, of dugong—I think you would have to say that the DPAs are working. There is more that can be done in DPA Bs. Various assurances were given as to changes in regulations relating to Queensland fisheries but—no doubt for a variety of reasons—as yet those promises have not been fulfilled. So there is more to be done in relation to dugong B areas. Mr Tanzer might care to add to that.

Mr Tanzer—I think that is pretty right. The ministerial council and the minister asked us to keep the dugong protection areas under constant review. That is what we are doing. The DPA As and Bs were separated in relation to the threat that was posed in the incidence of dugongs. We will be reviewing both the As and Bs over time and reporting back to ministerial council. We are putting additional resources and surveillance into DPAs, so we are heartened that we are not turning up any significant number of carcasses with obvious interactions with net fishing.

Senator BOLKUS—Has any consideration been given to incorporating zone B into zone A and excluding netting from both?

Mr Tanzer—I think that would pre-empt the review that we intend to do and then come back to relevant ministers with.

Senator BOLKUS—When do you want to do that review?

Mr Tanzer—We will be taking the report to the ministerial council, as the minister indicated, in Cairns on Friday, and seeking endorsement to conduct such a review after that.

Senator BOLKUS—You would say that merging A and B is premature at this stage?

Mr Tanzer—I think it would be speculative and premature to comment on that. We need to have a look at how they are working. It is very much a matter of how the nets are handled in the water and attendance at net and also the incidence of the illegal netting that may occur—that is to say, not licensed netting. We need to take all those factors into account.

Senator BOLKUS—You have not considered extending the boundaries beyond the current boundaries in accordance with those recommended to GBRMPA by Preen and Morissette?

Mr Tanzer—Such an examination would form part of the review and it would be a matter for the ministerial council to consider.

Senator BOLKUS—It has not been considered so far, though?

Mr Tanzer—No.

Senator BOLKUS—The greatest proportion of mortalities in 2000 was due to disease. Can you give us some breakdown on what particular causes may be involved here?

Ms Chadwick—Of the carcasses from last year, 12 died from human related causes, three from boat strikes, three from entanglements in nets, two under the Queensland shark control program, three were undetermined, one from unpermitted hunting, 17 from natural causes and 48 where we do not know the cause—and that is usually because the carcass is so decomposed that any sensible necropsy is impossible. So I am not in a position to say that there is a significant number related to disease.

Senator BOLKUS—In 1997 the ministerial council issued a communique recognising that water quality was an issue for ongoing dugong survival.

Ms Chadwick—Yes.

Senator BOLKUS—That could very well be directly linked to disease, I would imagine.

Ms Chadwick—It would have to be speculative at this stage. There is no scientific evidence that I am aware of that has proved that connection. Similarly, people are speculating not only about dugong mortality but about seagrass—which is, of course, fundamental to dugong health. It is also related to some speculation relating to crown-of-thorns. All of those are being taken very seriously by GBRMPA, but to date there is no scientific evidence higher than speculation that there is in fact a correlation there.

Senator BOLKUS—When you say they are taken seriously, what are you actually doing to fit that bill?

Ms Chadwick—I reported at the last Senate estimates that not only had GBRMPA been conducting something like 15 years of research within its own organisation and funding research externally but we had worked to pull that research together to try and formulate an overall water strategy. I recall saying at last Senate estimates that that water strategy was about to go to our minister. I am pleased to say that did happen and it is in fact on the agenda for ministerial council this coming Friday.

Senator BOLKUS—Since that communique of 1997 linking water quality and dugong survival, what research has been commissioned on that?

Ms Chadwick—In terms of water quality and dugong specifically?

Senator BOLKUS—Water quality was identified some four years ago, in 1997, as being an issue for dugong survival. You have told us you are taking it seriously. What research have you commissioned?

Ms Chadwick—We have contributed many millions of dollars to the study of water quality in the GBR. Not only have we been looking at sedimentation; we have been monitoring chlorophyll; we have been looking at nitrogen levels; we have been looking at phosphorous levels; we have been looking at pesticides and herbicides. We are not alone in that: many other research organisations and agencies have been doing similar work, including work on the health of seagrasses. Overwhelmingly, the majority of that information is available to us, although not all of it. It is that work that has been done, not just from 1997 onwards but for many years before that, which has informed us sufficiently to develop what I think is a proactive water quality strategy that needs to be implemented between ourselves and Queensland.

Senator BOLKUS—But you can still assert that there is not a sufficiently established link between the deaths that have taken place and that water quality?

Ms Chadwick—That is true. But, as I said, there is strong speculation that that is so, but there is no strong scientific evidence to prove it.

Senator BOLKUS—Are you saying that you have actually had research done on that particular issue and that has found—

Ms Chadwick—There have been a number of studies undertaken—not the least being, for example, the study of tissue samples when we have the stranding of mammals such as dugong. While we do not have all evidence that one may need, there are some worrying signs in the tissue samples of some dugong.

Senator BOLKUS—What was that last sentence, sorry?

Ms Chadwick—There are some worrying signs of residue in tissue samples of dugong.

Senator BOLKUS—Where were those signs?

Ms Chadwick—We are finding that there are some organochlorine residues in dugong tissue samples.

Senator BOLKUS—The minister recently in parliament referred to a study that had been conducted on dugong populations. Can we have a copy of that?

Ms Chadwick—Yes.

Senator BOLKUS—Today?

Senator Hill—Which study was that?

Senator BOLKUS—It is the one you referred to in parliament.

Senator Hill—We are constantly doing studies.

Senator BOLKUS—You have only referred to one.

Senator Hill—This was the one which showed a larger number than that which we had previously expected—Helene Marsh's?

Ms Chadwick—There have been two studies recently. One relates to the work of Professor Helene Marsh who, as you would be aware, conducts surveys of dugong for us on a four-yearly basis. That is the study that shows that there has in fact been a very welcome increase in the number of dugongs found through those surveys. I am happy to make that available, although I do not have it today.

Senator Hill—It has not been released publicly yet, so perhaps we might do a joint release and applaud the apparent success of the collective Australian efforts to save the dugong in the southern Great Barrier Reef.

Senator BOLKUS—I would like to see it before I start applauding it. Is that the one you refer to in parliament? Is this the report or did you refer to another one?

Senator Hill—I think I referred to the work that is now being put in a publishable form.

Senator BOLKUS—Is there a report at this stage?

Senator Hill—Yes, it is about to be released.

Senator BOLKUS—This is the Professor Marsh one you are talking about?

Ms Chadwick—Yes.

Senator BOLKUS—On a four-yearly basis: so when was her work completed?

Ms Chadwick—She in fact completed this last survey last year.

Senator BOLKUS—On the general issue of water quality, sediment pollution is one aspect. Does she identify sediment pollution of the Great Barrier Reef, which I gather is close to 28 to 30 million tonnes a year, as an issue of concern?

Ms Chadwick—It is not my recollection that Professor Marsh mentioned that in this report. What was commissioned of Helene Marsh was in fact a numerical survey, largely an aerial survey although some was on the ground. I stand to be corrected, but I do not recall it was within her charter to talk about things such as sedimentation and the like. It was a number survey.

Senator BOLKUS—It was an aerial survey of the dugong population?

Ms Chadwick—Yes.

Senator BOLKUS—How does that help us establish whether water quality has been a contributing factor in the non-survival of some of them?

Ms Chadwick—No. The work that Helene Marsh did was in fact to establish the numbers of dugong so that we had a better handle on knowing whether our numbers were going up or down.

Senator BOLKUS—Numbers of live ones?

Ms Chadwick—Yes. You might recall that it was the work largely of Helene Marsh that in fact first alerted the Australian public to the dramatic decline in dugong numbers—with all that flowed from that in terms of DPAs. She has continued that work. We have paid her to do that work and it is largely a numerical survey rather than a water quality survey.

Senator BOLKUS—But, for instance, as we identified there were 77 dying last year, what research information do you have before you to lead you to say that water quality is not an issue?

Ms Chadwick—I did not say that water quality was not an issue. I was saying that I cannot prove that water quality is.

Senator BOLKUS—Has any research been conducted as to whether it is or is not, specifically? You referred to the Marsh report, but this now turns to an aerial survey, which does not help us.

Ms Chadwick—No. What I also mentioned was that we are doing tissue samples of dugong carcasses, and in some cases that has shown that there is residue within those tissues which seems to be linked to agricultural run-off.

Senator Hill—But there is no researcher I know of that says that there is evidence that water quality has been a cause of death.

Senator BOLKUS—But you have got something like 28 million tonnes a year coming from big dry grazing catchments as the Fitzroy and Burdekin. Is that an issue which needs to be researched—the impact of those sort of sediments on dugongs?

Ms Chadwick—I would suggest, Senator, that there has been research to show that those tonnages of sedimentation do come out. I suppose one could do more research into that.

Senator BOLKUS—That research shows what? I am just having trouble hearing all of your answer.

Ms Chadwick—I am sorry; I have the flu. In terms of flood plumes, in terms of sedimentation and run-off—yes, there has been considerable work over a long period of time. I would have thought the next step is to determine what we do about it, as opposed to more research to reconfirm the results of previous research.

Senator BOLKUS—Have you, as an authority, done an overview of, for instance, the sediment pollution, where it is and what it may mean? Have you advised the minister that is something that needs to be focused on?

Ms Chadwick—Yes.

Mr Manson—We have in more recent times, as part of the preparation of a strategy in response to the growing concern around water quality, asked for a scientist at AIMS, Dr Miles Furnas, through the CRC research program to do some coordination of research papers which have been put together. Virginia Chadwick has mentioned the Marine Pollution Bulletin, which was recently published. Its co-editor was the Great Barrier Reef Marine Park Authority. That bulletin brings together the significant scientific research. Chemical pollution—sediments—was a significant part of that bulletin. There is a range of other consolidation reports being prepared by the CRC Reef Research Centre and Dr Miles Furnas from AIMS, the Australian Institute of Marine Science.

Senator BOLKUS—How many consolidation reports are we talking about?

Mr Manson—Effectively, three.

Senator BOLKUS—Are any available now?

Mr Manson—The Marine Pollution Bulletin has been published and widely available. The CRC Reef Research paper should be on their web site shortly, if it is not already. Dr Miles Furnas's work should be completed within four to six weeks, subject to scientific peer review.

Senator BOLKUS—We have sedimentation, we have nitrogen and phosphorus from particular crops such as cane, and we have pesticides and herbicides from, once again, the cane, banana and cotton industries. Are they the three major ingredients affecting water quality?

Mr Manson—In terms of the general pollutant loads, yes, although we do have other concerns related to spot source pollution from sewerage treatment plants or industrial plants. The loads from those spot sources are generally well controlled by EPA style legislation in Queen-

sland, and we do not expect that those loads are going to be significant in the broad picture compared to other land use activities.

Senator BOLKUS—So—nitrogen, phosphorus, herbicides, pesticides—what would you have on a fast track agenda, for instance, to try and protect dugongs from those ingredients?

Ms Chadwick—All of the above, including loss of mangroves and riparian wetlands.

Senator BOLKUS—You mentioned presence of that sort of sedimentation in dugong carcasses. Is there anything that GBRMPA is planning to tackle this sort of pollution?

Ms Chadwick—Anything we do has to be done cooperatively with Queensland.

Senator BOLKUS—I want to know what you intend to do—and then we can get to Queensland.

Senator Hill—We have showed with the aquaculture that we are not afraid to intervene. Basically, Queensland was failing in its responsibility to properly assess aquaculture in terms of polluting run-offs. We did intervene and we now have in place a better process. In relation to some other land uses where the sources are more diffuse and cover wide areas further inland in Queensland, it becomes more difficult. We do have to primarily rely on the Queensland government behaving responsibly. There are some good signs. The code of practice of the sugar industry, for example, is a positive development. You say: is GBRMPA fast tracking a solution to this problem? There is not a fast track. It relates to the management of natural resources over the eastern side of Queensland, in an environment that feeds into the many rivers and streams that flow from that agricultural region into the Great Barrier Reef's jurisdictional area.

Senator BOLKUS—Ship based pollution is also a major concern for the reef.

Ms Chadwick—Yes.

Senator BOLKUS—You have got an inquiry running. When is the shipping inquiry due to report?

Ms Chadwick—We have to report to Minister Anderson by the end of June. The committee has been meeting regularly. It has conducted extensive consultation with various stakeholders, including indigenous stakeholders. We are at the point now where we are debating amongst ourselves the recommendations that will go to Minister Anderson. It is my view, even though I am not chairing that task force, that we will keep to the timetable and report by the end of June to Minister Anderson.

Senator BOLKUS—What sort of options would be available? Obviously compulsive pilotage throughout the area is one.

Ms Chadwick—I could go but through some of the suggestions and recommendations that have come from various stakeholder groups—rather than saying what I personally think. People have looked to technology such as the increased use of AIS. People have looked at compulsory pilotage throughout the entire length of the reef. People have looked to double pilots to decrease fatigue levels amongst pilots, some of whom apparently are on watch for up to 30 hours. There have been a wide range of recommendations that people have made. It is the role of the task force to sift through those now to work out what is feasible, what is in the best interests of protecting the reef and to make those recommendations to government.

Senator BOLKUS—Could we also be looking at re-routing certain classes of vessels to the outer route? Is that one option?

Ms Chadwick—That is certainly a possibility. I know that currently many of the fuel tankers have voluntarily chosen to use the outer reef. That must be, I presume, some sort of risk management approach that they have taken. We do know, from the nature of shipping within the reef, that the type of vessel traversing the reef these days is newer, sounder, than perhaps some years ago. That is encouraging but it certainly does not provide the totality of an answer.

Senator BOLKUS—In the minister's second reading speech on the recent amendment bill, he mentioned that the government is progressing an additional 10 excluded areas. Can you tell us which areas they are?

Ms Chadwick—Bearing in mind that just a few short years ago we still had 28 areas excluded from the marine park, progressively over the last couple of years we have negotiated the inclusion of all of them including this last 10. The last 10 were largely areas that could be described as ports—some ports that we would call traditional ports such as the port of Townsville or Gladstone, others smaller ports such as Hay Point and the like. We have been able to work cooperatively with Queensland. We did form an agreement. In fact that matter has been resolved but not formally gazetted as yet. It does have a happy conclusion. We do have 28 areas within the marine park that historically have been excluded.

Senator BOLKUS—What sort of total area are we talking about?

Ms Chadwick—We are talking about, I think, another 5½ thousand square kilometres. I know it is in my notes somewhere. I will check that.

Senator BOLKUS—Just come back to us. What is the expected time frame for the inclusion of the areas?

Ms Chadwick—All but the last 10 have been fully completed. The last 10 have actually been through the board of the Marine Park Authority. My understanding is that, if they have not gone to Executive Council, they are about to go to Executive Council.

Senator Hill—Another success story.

Senator BOLKUS—Do you want to do a joint launch with this one?

Senator Hill—Too hard for governments in the past.

Senator BOLKUS—I wondered what you have been doing for the last five years.

Senator Hill—You have touched on a few things this afternoon.

Senator BOLKUS—You have done something at long last.

Ms Chadwick—It has only taken 25 years, Senator.

Senator BOLKUS—Only 25 years. We are blaming the Fraser government now too, are we?

Senator Hill—We blame everyone.

Senator BOLKUS—Crown-of-thorns: does GBRMPA accept—

Senator Hill—We have not fixed that one.

Senator BOLKUS—No, you can blame Malcolm for this one as well; he passed it down. Does the authority accept the growing scientific opinion that human activities may be responsible for outbreaks of crown-of-thorns?

Ms Chadwick—It is not a matter of GBRMPA accepting or not accepting what you call the mounting evidence.

Senator BOLKUS—I said ‘growing’ rather than ‘mounting’.

Ms Chadwick—One of the great frustrations of my life is to actually get scientists to definitively advise us what is a causal factor, if any, in relation to the crown-of-thorns. I have a profound knowledge of the DNA of the crown-of-thorns but I do not know whether water quality or overfishing or anything else actually causes the outbreaks. Indeed, there is no scientific agreement whether those outbreaks are more chronic or more frequent or more severe. There is, as you are well aware, a vigorous debate on the matter.

Senator Hill—Successive governments have spent about \$13 million trying to find the answers. We know it is a natural phenomenon. We are not sure whether what seems to be more intense outbreaks more often is the reality. If it is the reality, we still cannot say with any confidence if it is related to human induced factors and, if it is, which factors.

Senator BOLKUS—The tourism industry is spending one to two million now in Queensland, I think. Is the federal government committed to any financial input at the moment?

Senator Hill—As I said, our financial support has been at the science end, to understand this phenomenon better to determine, if its intensity or frequency is an unnatural thing, what options are open that could result in overcoming that human induced problem. The tourist industry has been spending some of its money to actually physically clear the crown-of-thorns from its tourist assets. We have not been contributing to that project. The industry has asked government if they will contribute to that project—which in some ways is more of a tourist support exercise than an environmental exercise—and that is being considered by the federal government.

Senator BOLKUS—You have the tourism industry contributing a couple of million; you have Queensland contributing one; and you are considering contributing?

Senator Hill—I said we have contributed some \$13 million. What the tourist industry is contributing to is a different project. They have also asked us to contribute to that. What the Queensland government is contributing to seems to be relatively unclear. If you have got the lists and read exactly what they are investing their money in it is not—

Senator BOLKUS—I am just trying to get an idea of your position, Minister. You said they have asked you to contribute to this ‘control exercise’, if I can call it that. Has the federal government made a decision as to whether to contribute or not?

Senator Hill—No, we have not.

Senator BOLKUS—Are you still considering it or have you decided not to?

Senator Hill—No, we are considering it. I last wrote to the tourism minister last night.

Senator BOLKUS—You must have come down on a VIP flight, did you?

Ms Chadwick—I think it is worth noting that there are currently two research programs that GBRMPA is contributing to in relation to crown-of-thorns. One is a fine-scale survey that has been going on since 1986. Through the CRC we also contribute to broad-scale surveys. The broad-scale survey costs \$110,000 a year and the fine scale survey is \$175,000 a year. For tourism operators who wish to keep their sites clear, we facilitate the issuing of permits so that they can keep their sites clear.

Senator BOLKUS—You have not at this stage made an assessment as to whether it is worthwhile putting research money into that possible link between human activities and the crown-of-thorns?

Ms Chadwick—I know that that links back to water quality. We have already identified water quality as a major issue for GBRMPA. Over the years one of our critical issues groups has facilitated most of the research on which a large number of the reports to date are based. While we do not actually have research looking at crown-of-thorns and water quality, the broad issue of water quality is a real concern to us and is one of our four critical issues.

Senator Hill—We have asked the reef CRC to do an examination of all the current literature to see whether there is something else occurring somewhere in the world that may have been missed which could perhaps give us some guidance as to future research. It has been a serious problem for a long time. Governments have invested a lot of money. They have learnt a certain amount, but there is still a great deal that is not known about this particular pest.

Senator BOLKUS—Do we have any current assessment as to the extent of the damage caused by the crown-of-thorns and the impact on tourism and the reef?

Ms Chadwick—Anecdotally speaking, not only with organisations such as AMTO representing the tourism industry, but also with individual operators, I am aware that it has caused a lot of financial hardship and incredible worry for a number of operators, particularly in the Cairns/Port Douglas area. Some of the larger operators claim—I believe it to be true—that they are spending anything up to a quarter of a million dollars a year keeping their sites clear. So it is a real problem. I am aware that in the Cairns/Port Douglas area, the crown-of-thorns infestation has caused large-scale damage and destruction to reefs. The last information I received was that, while a large number of juvenile COTs are present, it looks as if the large-scale COTs have either moved on or died out. The real concern for us now is whether those juveniles mature or whether they in fact die out, as has tended to happen in previous COTs cycles.

Senator BOLKUS—Can you tell us why there is a link to the coalition environment policy on your home page?

Ms Chadwick—No, I cannot.

Senator Hill—Probably enlightenment.

Senator BOLKUS—I actually thought that you would come back with an answer like that.

Ms Chadwick—I had not even noticed that, so I guess that shows how technologically sound I am, Senator.

Senator BOLKUS—Do you think it is appropriate?

Senator Hill—Tell us about it.

Senator BOLKUS—Your environment policy?

Senator Hill—Yes.

Senator BOLKUS—It does not take up too many kilobytes.

Ms Chadwick—It is the government of the day, Senator. I do not regard it as remarkable; you obviously do.

Senator BOLKUS—I think it is inappropriate, really.

Senator Hill—What does it say?

Senator BOLKUS—It is a link to your environment policy.

Senator Hill—It gives you a key, does it?

Senator BOLKUS—You click the button and off you go.

Senator Hill—Yes? That is good news.

Senator BOLKUS—You do not know this, Minister?

Senator Hill—That is good news.

Senator BOLKUS—You do not know this?

Senator Hill—No, I didn't know that.

Senator BOLKUS—This is environment policy, not written by Senator Minchin though.

Senator Hill—No. It is a good one, this one.

Senator BOLKUS—So do you think it is appropriate?

Ms Chadwick—I confess that you have caught me, Senator, I did not know it was there. I must say I find it totally unremarkable that there should be a link to enable people to read the policy of the government of the day when in fact we are a conservation environment agency. Obviously you do think it is remarkable.

Senator BOLKUS—I do.

Ms Chadwick—I presume it has been there for many years; I do not know.

Senator BOLKUS—What grants programs do you administer through GBRMPA?

Ms Chadwick—I am unaware of major grants. There are small sponsorships from time to time. Mr Bell may be able to cast some light on that.

Mr Bell—Yes. It is a very small grants program, called the SPIRT program—

Senator BOLKUS—The what?

Mr Bell—SPIRT. I will have to find out just what that acronym actually means. Very small amounts of money are given to support students undertaking research activities. It is done in cooperation, if you like, with other bodies which are also contributing to that research. If you would bear with me for a moment, I will find the total figure.

Ms Chadwick—There were some postgraduate encouragement awards. The highest one of those which I had the privilege to hand out was for something like \$1200 or \$1500. We are a small agency.

Senator BOLKUS—Sure. I know that. What was the budget?

Mr Bell—There were two groups: the SPIRT grants were \$10,000 for the year and the augmentative research grants were also \$10,000 for the year.

Senator BOLKUS—Who makes the decision on the recipients of the grants, on who gets them and who misses out?

Ms Chadwick—The group that I was specifically involved in was that of postgraduate grants. I think the recommendation came from James Cook University or the CRC. If you are asking whether I sat there and decided who was going to get the grand total of \$20,000, the answer is no.

Senator BOLKUS—I had not come to you yet, Ms Chadwick. I was just trying to work out the process. What you are telling me is that it is scientifically based through James Cook University and the CRC?

Ms Chadwick—Yes.

Senator BOLKUS—That is all I have. Thank you.

Senator ALLISON— We understand that the Stuart shale oil mine is not proceeding. Has GBRMPA made any representation on the question of rehabilitation of that site, given its proximity to the reef?

Senator Hill—I have not heard of a decision that it is not proceeding. There was a sale of an interest in it.

Ms Chadwick—I am unaware that the investigation or exploration has in fact ceased. I have not been formally advised of that. It is currently a land-based activity. If what you are saying is correct, GBRMPA's interest in terms of any remediation would be based on its effect on the marine environment. At the moment, we are not doing any work in that regard and I am unaware whether the project has closed.

Senator Hill—It certainly has not closed. We are doing an ongoing environmental assessment and, if you like, when we get to the appropriate people, they can bring you up to date.

Senator ALLISON—So 'we' is not GBRMPA?

Senator Hill—No. We consult with GBRMPA, but basically EA is running the environmental assessment.

Senator ALLISON—Who does the monitoring?

Senator Hill—This was stage 2. I will read you something that is headed 'Suggested answer':

Stage 1 of the project of demonstration plant is currently undergoing proving trials by the developers. Stage 2, the Stuart oil shale project involving commercial development of the deposit and extension of the mine to provide larger quantities of oil shale feedstock, is currently undergoing environmental impact assessment under the Commonwealth EPIP Act.

That was the old act.

A joint Commonwealth/state environmental impact study was released for public comment from September to November 1999. The next step is the preparation of the final EIS, expected in late 2001, taking into account the issues raised by the public, interest groups and government agencies. Data gathered in the demonstration plant trials will contribute to information presented in the final EIS...

Stage 1, as I recall it, was before we came to government. In respect of stage 2, we have been going through this EIS process. I read that there was an export of oil only a few weeks ago, so that was obviously under stage 1.

Senator ALLISON—I understood that, because the Canadian partners were pulling out, there was a question about the viability of the whole project.

Senator Hill—That is not my understanding. I understood the Canadian interests had been taken over.

Senator ALLISON—Who is doing the monitoring of the run-off from the site? It is now quite a substantial mining facility.

Senator Hill—The operating licences would be given by the Queensland government.

Senator ALLISON—So GBRMPA is not involved in that?

Senator Hill—No.

Senator ALLISON—My only other question was about sea temperature rises and coral. What sort of monitoring is there of those? Are there any results that might be available? Are there any other reefs that look like they might be being damaged?

Ms Chadwick—There are a number of temperature monitoring programs under way. Some of them are conducted by AIMS, the Australian Institute of Marine Science. There is also a memorandum of understanding between GBRMPA, AIMS and NOAAF, the American agency. That, specifically, is in relation to hot spot and temperature monitoring. We have been fortunate—if you can say that—because, in the last major bleaching event, the GBR suffered only spot damage and not widespread devastating damage as has sadly happened in other places in the world.

Senator ALLISON—The reef off Townsville was fairly seriously affected, as I understand it.

Ms Chadwick—In 1998, that was so. There were some reefs off Orpheus Island. There were some bleaching events but, when one looks at some other places in the world that have lost entire reef systems, we escaped fairly lightly. I mean it in that sense. It is my understanding that the reefs that were damaged back in 1998 are already showing some signs of regrowth. It goes back to the type of question that Senator Bolkus was alluding to. It is why we need to ensure that water quality and other matters of the reefs' health are in place if we are to give all the reefs their best chance of regrowth.

Senator BARTLETT—I would like to ask some questions about general funding. The \$14.6 million overall for 2000-01 was in last year's paper as well as this year's. In the blue book, and in the portfolio budget statement, you have gone up to \$19.8 million. That increase is basically the extra money for the reef headquarters—the revenue shortfall from the EMC and the aquaculture. Is that right?

Ms Chadwick—Yes.

Senator BARTLETT—With the reef headquarters in the portfolio statement, you have a \$3.1 million equity injection.

Ms Chadwick—Yes.

Mr Bell—The \$3.1 million is not included in that particular figure.

Senator BARTLETT—So if you have gone up from \$14.6 million to \$19.8 million, an increase of \$5.2 million, what does that \$5.2 million consist of? You only have \$1.8 million for the reef headquarters plus half a million each for the EMC shortfall and the aquaculture.

Mr Bell—The total variation was \$8.4 million; \$5.9 million was two components. The first component was the \$3.1 million for the equity injection, and there was \$1.8 million for the engineering upgrade of the Reef HQ exercise. The two separate figures are \$5.35 million and \$500,000 for aquaculture and the revenue shortfall respectively. There was \$1.2 million, which was basically to do with accounting policy adjustments for depreciation of assets and capital use charges. There was a minor figure for legal expense variation and some other very minor adjustments making up the \$8.4 million.

Senator BARTLETT—So the overall funding base is basically the same, apart from the additional measures that were announced in the budget?

Mr Bell—Yes. The \$5.9 million is the figure that you are probably looking at for the initiatives. The other money is to do with accounting adjustments, capital use charge rates and other minor indexation adjustments, et cetera.

Senator BARTLETT—Just to increase my education, ‘equity injection’ for Reef HQ basically means it will be money spent on the building itself?

Ms Chadwick—Yes, it is capital work.

Senator BARTLETT—Is the other \$1.8 million in part meant to cover anticipated drop in revenue?

Mr Bell—Partially, that is correct; during the exercise.

Senator BARTLETT—What is the rest of it expected to go on?

Mr Bell—The rest of it is to cover community service obligation for the world heritage educational element of the activities that Reef HQ carries out. The other part is engineering upgrades.

Senator BARTLETT—What does the overall drop from \$19.8 million, listed for 2001-02, to about \$17.5 million reflect?

Mr Bell—That reflects part of the \$1.8 million, which will be met during the completion of the technical aspects of the engineering review. That is the main element to that variation.

Senator BARTLETT—You have \$1.8 million for the Reef HQ. In the yellow one, you have an appropriation for next year of \$0.505 million – a drop of \$1.3 million.

Mr Bell—Yes, the difference is \$1.3 million. In broad terms a million dollars of that is for the engineering side of things, and the other \$300,000-\$400,000 is a revenue shortfall.

Senator BARTLETT—The rest of that drop between \$19.8 million and \$17.5 million—

Mr Bell—Another element of that is that in our budget for surveillance and enforcement, I think we have \$1.4 million. That ceases from that year you referred to.

Senator BARTLETT—Let me ask a little more on the aquaculture. I know that the extra money and how it might be utilised has been touched on already. Will the extra money—in terms of the existing regulations—be predominantly for monitoring discharge and those types of things?

Ms Chadwick—As you know, there has been quite a surge in the interest, and hence applications and seeking information prior to making applications for aquaculture in the GBR. I think it is beyond doubt that it is a growth industry. Hence our regulations, and hence the extra money we have needed to ensure that we can assess those applications in a professional and timely fashion. In addition, there is not much point in having vigorous regulation if we have no capacity to audit, to monitor and to correct if those requirements for a permit are not being met. So there are those two things: firstly, to assess and expedite; secondly, to monitor and audit.

Senator BARTLETT—What powers do you have in monitoring and auditing nutrient levels? If you find that they are at a dangerous levels, what are you able to do?

Ms Chadwick—There are fines. Mr Manson may be able to tell us the quantum of the fines. I would certainly hope that you could work cooperatively with the permittee to ensure

you did not get to that. There is a sanction and, ultimately, it could be the withdrawal of the permit.

Senator BARTLETT—Obviously, you have been doing some monitoring already. Have you identified any problem areas to date in terms of discharge?

Ms Chadwick—No. In fact, I am happy to say that, with respect to those people with whom we have worked, several people have very small scale operations or a small scale expansion where they have not required a permit. They have a concessional status. To the best of my knowledge, that is working pretty well. For the handful that have required a permit, my understanding is that we are working cooperatively and fairly positively with them. But Mr Manson may have something to add.

Mr Manson—I think it is fair to say that, since the regulations came into effect, and our facilitation with the industry, the overall standard of effluent has risen significantly. What we are finding now is that the design proposals being put forward to us in applications generally are including world's best practice in terms of recycling and the management of effluent on-site. One of the objectives in the regulations is to minimise the effluent discharged to the environment, in particular in regard to disease control and pollutants of a nitrogen phosphorous style level.

Senator BARTLETT—That is a recirculating type of set-up?

Mr Manson—Where possible, the best practice is that water is recycled on-site and not discharged from the facility. In that way, disease and nutrients are completely contained within the aquaculture venture. To some degree, some of the more modern and new facilities are certainly coming up to those standards.

Senator BARTLETT—In terms of the permits and such that you give, if that is best practice, is that the standard you require people to meet, or is it the case they do not have to meet that standard, it is just good if they do?

Mr Manson—The regulations require certain standards to be met and those standards are in our policy assessment guidelines. They are performance standards which relate to the effluent meeting essentially the ambient background conditions of the water where the effluent ends up.

Senator BARTLETT—That basically would mean, in effect, you would not be able to tell the difference between there being an aquaculture development there or not?

Mr Manson—That is the intention of the performance standards—that within 500 metres of the discharge you cannot measure any change in the ambient water quality at that point, or within 10 per cent, I think we allow.

Senator BARTLETT—I think when there were questions on this before it was mentioned that on some occasions it comes under your ambit, sometimes it is under EPBC. Where is the dividing line?

Mr Manson—The aquaculture regulations only deal with the discharge of effluent. EPBC deals with matters of national environment significance such as the—

Senator Hill—It is largely a question of degree but we are working on some guidance to provide a more seamless process, if that is the way to express it, at the moment. Basically, major developments that could have a significant and detrimental effect upon the world heritage area require approval under the EPBC Act. Lesser developments that may nevertheless emit some level of pollutant to the region require a permit by GBRMPA and

therefore an assessment by GBRMPA. A change that we have made that encouraged us to provide greater financial support was that, whereas in the past GBRMPA only had power when the emission was direct from the farm to the marine environment, we now capture those where the emission is indirect, where it is into some stream, watercourse or whatever, that leads into the marine environment. We did that largely because of either the absence or the inadequacy of Queensland state or local government environmental assessment processes.

Senator BARTLETT—Firstly, how do the developers know who to approach, and how does the authority know? Do you just wait for people to come to you? Do you keep track of all aquaculture developments?

Senator Hill—Generally, we go to the authority, and if the authority saw that it was a major, potentially quite significant development—some of the prospective ones are very large—then they would discuss it with the assessment people at EA. We would like to provide more explicit guidance than that, and we are working on that issue at the moment.

Senator BARTLETT—On a similar sort of issue, going to that water quality issue again and that issue of a more seamless interaction between the authority and broader environmental issues, there was mention before of a figure from sediment pollution of 28 million tonnes a year. Is that an accurate figure? Does the authority monitor that sort of thing in terms of discharge?

Ms Chadwick—Yes.

Senator Hill—On sediments? I would be surprised if they could be that explicit.

Mr Manson—The information on which those estimates are based, the 28 million, comes from a mixture of research by the Department of Primary Industry in Queensland and research fostered by the authority over a period of time. We are reasonably comfortable with that figure.

Senator BARTLETT—You are obviously involved in monitoring that research or helping to sponsor it. Similarly, I guess, research is being done on what the impact of that is on world heritage values?

Ms Chadwick—The major impact is on the in-shore lagoonal area. We are obviously concerned about sedimentation and hence die-off of seagrass. We are also concerned about the turbidity and what effect that has. I hasten to add that the major effect is on the in-shore lagoonal area and it is only in major floods that you would see a significant impact upon the middle or outer reef, but that does occur. If we did not regard it as a serious issue we would not have a water quality critical issue group; we would not have been undertaking this research over a long period of time. We are very keen to at least halt the decline and, over time, rectify or remediate the situation.

Senator BARTLETT—Getting back to that sort of cooperation or interface between yourself and Environment Australia more broadly, with that sort of level of sediment pollution—I gather a fair chunk of it, anyway, is from grazing country and involves the whole land clearing issue as well—it potentially must have a significant impact on the world heritage values. Wouldn't that be something that you would be liaising with Environment Australia more broadly about in terms of whether there are powers there to prevent the damage happening now, as opposed to just—

Senator Hill—Most of it is existing land use operations. The problem has been created over a long period of time when the full consequences were not well appreciated. The issue

now is what to do about it, and that is part and parcel of the massive challenge we have towards better natural resource management in Australia. The only time that Environment Australia would become involved would be if there was a major new development that could have a significant consequence. For example, it might be a new large dam or it might be—although I do not know of any at the moment—a major new clearance operation adjacent to the reef. For example, in the past there have been government sponsored clearings for expansion of the sugar industry. They have gone through environmental assessment at the Commonwealth level, and they may still do so, depending on the nature of them.

That is really an issue separate and distinct from this ongoing challenge that GBRMPA has of measuring the threats from existing land use practices and seeking to influence a better outcome in that regard—which, as I said, is largely the responsibility of the Queensland government. Therefore cooperation with the Queensland government is required to encourage them to put in place both regulation, administrative practice and education that will lead to better land use management.

Senator BARTLETT—It mentions in the PBS that you have got 30 water quality monitoring stations around the place. Do they all evaluate the same data or are some more comprehensive than others?

Mr Manson—I am not quite clear which 30 stations you might be referring to.

Senator BARTLETT—Just picking a number from the PBS, it mentions your monthly water quality monitoring data from 30 stations in the marine park.

Mr Manson—There are a range of water quality monitoring situations within the marine park. That is related to a program which we undertake each year for picking up essentially chlorophyll monitoring and other water quality aspects are taken into account when we pick that up. Essentially it is the chlorophyll monitoring program across the reef. Chlorophyll is used as an indicator of nutrient status within marine waters.

Senator BARTLETT—Does it monitor things like pH levels and that sort of thing as well?

Mr Manson—I would assume so, yes.

Senator BARTLETT—As well as using that to compile reports, are there particular alarm bell levels of pH or other things that you look for?

Ms Chadwick—In terms of the chlorophyll monitoring, which has historically been a GBRMPA activity as opposed to much of our research which is done in cooperation with other agencies, that has been going on for about eight years. What it has shown is that if you take chlorophyll as an indicator of increased nutrient level, you see significant differences in the levels of chlorophyll that are around catchments—particularly catchments which have intensive farming such as cane; but I do not mean that exclusively—and the chlorophyll levels in the Cape. There is a significant difference. So it is a good indicator of the effect of land use on water quality.

Senator BARTLETT—Information from the Cleveland Bay monitoring station offshore from the sewerage treatment plant regularly shows pH levels lower than the average pH for sea water. What impacts does that have in terms of damaging the environmental values?

Mr Manson—I do not have those reports next to me, so I would rather take that question on notice.

Senator BARTLETT—Are you able to confirm that?

Senator Hill—Which sewerage works?

Senator BARTLETT—Cleveland Bay. That would be information you would have, though, from your monitoring stations?

Mr Manson—We would have access to that information, and I think I would need to report back to you because I do not have the figures in front of me.

Senator BARTLETT—That would be handy. In terms of contaminants in general, you mentioned assessing contaminants in dugong carcasses and measuring those. I think you mentioned what the toxins were that you had found in some carcasses.

Ms Chadwick—Organochlorines, I think they were.

Senator BARTLETT—That sounds familiar. That is like herbicides and those types of things?

Ms Chadwick—Yes.

Senator BARTLETT—I am sure you are not wanting to specifically single out cane, but that is likely to be from some of those agricultural—

Ms Chadwick—I do not want to particularly point a finger at any industry, because I simply do not know. It is hard to imagine how you would find organochlorine in dugong carcasses. It has got to have come from somewhere.

Senator BARTLETT—In relation to this question earlier on—certainly in terms of water quality in general—you were saying it is possibly beyond the stage now of just doing more research to confirm the problems there; it is looking at what can be done about it.

Ms Chadwick—Absolutely.

Senator BARTLETT—What are the processes you have in place to try to stop it?

Ms Chadwick—The most important thing that we have done, I believe, is to decide that we are not going to wait until we have perfect knowledge. We never will have it. We need to pull together the results of what we do know and make our best assessment on the basis of that, and we need to provide a potential strategy for the consideration of governments. It will be on the agenda of the ministerial council meeting between Queensland and the Commonwealth that is coming up this Friday. I could not possibly predict what the outcome of that meeting will be, but I would anticipate that, in terms of the work for GBRMPA and Queensland officials, we will at least get some guidance on the way forward from there.

Senator BARTLETT—It is mentioned in output group 1.1—Conservation, biodiversity and world heritage—that your representative areas program comes under that, along with other things.

Ms Chadwick—Yes.

Senator BARTLETT—The amount you have for the whole group is a little bit under \$1.5 million. How much of that budget allocation is likely to be covered by the representative areas program or devoted to that?

Mr Beale—Senator, the exact proportion for representative areas is very hard to determine, given there are contributions from other areas of the department in relation to that particular activity. It is very sizeable.

Ms Chadwick—Would it assist if I were to say that it uses up the majority of the effort within the biodiversity and conservation area critical issue group of GBRMPA. Over the last

six to eight months in particular we have been pulling down assistance from other areas of GBRMPA to assist in the representative areas program. For example, we have approximately half a person's time out of the fishing group that goes and talks to recreational and commercial fishers. Equally, we have about a third of the time of somebody from our tourism group who is actually off talking to tourism operators. I am happy to go away and try to do some accurate figures if you would like.

Senator BARTLETT—I am just trying to get a general feeling of the proportion.

Ms Chadwick—It is a major user of resources in the portfolio.

Senator BARTLETT—I appreciate that it is always hard to rank and prioritise everything. It seems from your answer that there are resources coming from some of the other groups as well and, if it is going to work the way it is meant to work, it will basically affect everything you do fairly comprehensively.

Ms Chadwick—Absolutely. It is exciting, Senator.

Senator BARTLETT—That is good. We need more excitement in politics. Is it moving up to the stage where it really does become your number one priority to make sure it works as effectively as possible?

Ms Chadwick—I hesitate to say it is number one, because then I think of things like water quality, trawling, or other areas of commercial fishing. As a single, ongoing major initiative of GBRMPA, it is the single largest project that we are undertaking. It will involve the complete rezoning of the entire Great Barrier Reef, and when it is successfully implemented it will ensure that GBRMPA has achieved something that no marine protected area elsewhere in the world has been able to achieve to date and it has done it on a scale that is unprecedented. It is a genuinely exciting forward-looking project.

Senator BARTLETT—What is the time line with it nowadays?

Ms Chadwick—We are currently working towards our first PPP, public participation phase, which is required twice under our legislation. Currently we are preparing documentation, such as information books whereby people can make submissions, web sites, public meetings. All of these things are in fact being prepared at this time. We would anticipate that within, hopefully, the next month or so we would be in a position to launch that first participation phase, which will, in a formal sense, get community input. There are two of them in the process.

Senator BARTLETT—On another area, park management group, page 255 of the budget statement: you mention there about 700 assessments conducted and decisions made, including 30 major projects, with overall cost of about \$3½ million. In terms of those assessments, how much of the costs are recovered from applicants?

Ms Chadwick—Not very much.

Mr Skeat—I do not have an accurate figure for you for our PAF fees, but I am sure Les Bell has. But, as the chair indicates, our recovery rate on assessments is actually reasonably low.

Mr Bell—We are currently looking into that at the moment.

Senator BARTLETT—Currently looking into it?

Mr Bell—Looking into that issue.

Senator BARTLETT—Looking at ways of making it higher?

Mr Bell—No, not necessarily; just looking at our processes.

Ms Chadwick—We can streamline the process, perhaps.

Senator BARTLETT—What is the system at the moment, in terms of that area?

Ms Chadwick—Mr Skeat is the expert, not I. It ranges from a very simple matter. For example, we talked earlier about an application for a permit to kill COTS in a person's tourism activity area: that is a very simple matter requiring minimal assessment, and handled expeditiously. Equally, there could be a permit application to—dare I say?—create a marina at Nelly Bay. It is very hard for me to say what the processes are. It depends upon the nature and scale and complexity of the permit application.

Senator BARTLETT—Do you have a breakdown of the types of applications and the number of approvals?

Ms Chadwick—Yes, we do. I do not believe I have it with me but I am happy to take that on notice and provide that information.

Senator BARTLETT—That would be much appreciated. Is there any particular trigger mechanism for publicly notifying particular permit approvals?

Ms Chadwick—Yes, there is. Mr Skeat may in fact have the appropriate words, but it is if there is a belief that the application, if granted, would have a significant impact upon others and the environment.

Senator BARTLETT—On others?

Ms Chadwick—Other people.

Mr Skeat—The trigger is essentially if it impacts on other people's use of the marine park. The trigger is not one of public interest but a case of whether it affects their use.

Senator BARTLETT—It is whether it is going to involve other people, so it is not an environment value, either?

Mr Skeat—No; that is correct. As currently worded it deals with other people's use of the marine park, so it is almost a physical trigger—whether or not it is going to interfere with their current activity.

Senator BARTLETT—That is as currently worded in the act?

Mr Skeat—In the regulations.

Senator BARTLETT—Could you, in that breakdown I asked for, give an indication of how many of those met that trigger as well? Is that possible?

Ms Chadwick—Yes.

Senator BARTLETT—Field management of the marine park—again on that same page—costs about \$11 million. Have you got figures on how many breaches, violations or infringements—or whatever the proper term is?

Ms Chadwick—Yes, we do. As you know, the activities that we undertake are many and varied. They range from assisting—in terms of Queensland—pest eradication such as goats or lantana and the like, through to significant fisheries breaches, but it is overwhelmingly an education program. In terms of the numbers of breaches, I am happy to provide that.

Senator BARTLETT—It is probably a bit hard to divide, but I note amongst the descriptions of field management you include patrols and also public relations contact. I

hesitate to use the word PR exercise because it makes it sound valueless and I am not trying to suggest that—but how much of it is PR and education and how much is your more hard line enforcement?

Ms Chadwick—There are two things that must be said. When we created the dugong protection areas a few years ago, there was a special allocation that was provided in addition to our basic funding by the Commonwealth which is not met by Queensland. It is a single contribution over a period of time straight from the Commonwealth. That is kept separate, although in terms of an overall figure it is included in that day-to-day management budget. But that goes specifically to enforcement and surveillance, with particular emphasis on fishing activity and particularly in relation to dugong protection areas, so that is targeted funding. Of the \$9 million, GBRMPA have increasingly been trying to get a stronger focus on enforcement and surveillance so that there is a better balance between the education and community information activities, as opposed to surveillance. Would you say it is fifty-fifty now, Mr Manson?

Mr Manson—Many of the education programs, for example, could be argued to be part of the enforcement program, so it is a little hard to draw a strict line. I would have thought it is not quite approaching fifty-fifty. I think in the next couple of years we may well get to that point.

Senator BARTLETT—Do you have figures on the number of prosecutions or fines that you undertook in the last—

Ms Chadwick—I am in the happy situation that I have now been provided with some of the figures that you are requesting. In the first six months of this financial year, 209 incidents were detected. That was a 31 per cent increase on the same six months the year before. There were 57 successful court actions completed up to 31 December last, which was an increase of 46 per cent over the same period the previous year.

Senator BARTLETT—Do you have any fines come back to you, or does that go into general revenue?

Ms Chadwick—It comes back. When I say the money comes back to us, it goes back into the day-to-day management program.

Senator BARTLETT—Of the field management program?

Ms Chadwick—Yes.

Senator BARTLETT—So, if you do have a bumper year—for want of a better description—then it sounds all right if it is a 46 per cent increase, although that does not talk about size of fines, I suppose. Therefore, that will not mean an increase in the appropriation that will appear in this but, in terms of your overall expenditure, it will mean an increase in monitoring? Is that right?

Ms Chadwick—I missed the last section of that, Senator.

Senator BARTLETT—Overall, if you have an increase in money coming in through fines, et cetera, it will not reflect in appropriation, but it will reflect in terms of increase in total expenditure on fuel management?

Ms Chadwick—That is right. That is why I was making the point that, when I said ‘it comes back to us’, it does not mean that it goes into the general revenue of GBRMPA; it goes specifically back into day-to-day management.

Senator BARTLETT—I want to clarify a couple of things that came up before in terms of dugongs. You mentioned the report that is about to be released with great fanfare, which appeared to be the basis for claims earlier this year about an increase in population. At that time, I am fairly sure you said that there were two reports floating around at the moment relating to dugong. What is the other one?

Ms Chadwick—The second one is to do with the Queensland shark program. I do not have a formal copy of that. I do not think they have formally provided it to us. I am aware that there is a report on the Queensland shark program that does have an implication on dugong numbers, as it reports over a long period of time on the number of dugong caught in those nets.

Senator BARTLETT—Who is that report by?

Ms Chadwick—The Queensland Fisheries Service.

Senator BARTLETT—And that is not released yet either, by the sound of it?

Mr Tanzer—No, that is not released yet.

Senator BARTLETT—Is it likely to? These things usually wind their way through and appear reasonably easily in the public domain in the fullness of time. I know it is not a report in your control, but if it is coming through you—

Ms Chadwick—I would hope so if it is relevant to our work.

Senator BARTLETT—Is it right that, in terms of the dugong protection area, specifically the boat management strategy for the Hinchinbrook region, you have had a voluntary transit lane set-up going in there?

Ms Chadwick—Yes.

Senator BARTLETT—I presume you are monitoring the process of that. How is that going along in terms of its effectiveness?

Ms Chadwick—It is our view to date that there appears to be general compliance with the voluntary transit lanes. It would be our preferred position to stay with voluntary transit lanes rather than mandatory. The voluntary lanes were accompanied by community education programs. While, I guess, you would never get 100 per cent compliance, whether it was voluntary or mandatory, I believe that we are comfortable to date with compliance with the voluntary scheme, and it would be our preference to keep it that way if possible.

Senator BARTLETT—When did that come into operation?

Ms Chadwick—There appears to be a dispute between 18 months and two years, but it is in that order.

Senator BARTLETT—My recollection is that the transit lane proposal was at variance with the recommendation from Tony Preen's report, which suggested including zones rather than lanes.

Ms Chadwick—That is right.

Senator BARTLETT—In assessing how this is going, is there any indication of whether or not it might be preferable to move towards that recommendation?

Ms Chadwick—While most of the recommendations of Tony Preen's report were accepted by GBRMPA—in fact, many of them have been implemented—we were of a different opinion not only in relation to mandatory or voluntary but also in relation to another major

area. From memory, I think Tony Preen's report suggested five basically different zoning areas. The collective view of GBRMPA was that, one, it was administratively messy and, two, it would be close to impossible to monitor and to have effective surveillance. As a result, it was the collective view of people at GBRMPA that it was unworkable, unmanageable. I am not in anyway trying to denigrate the report. There were some very fine recommendations in it, most of which have been implemented. But, from a management perspective, that was seen as totally unworkable. I guess the thrust of what Tony Preen had been recommending was taken and synthesised and became the voluntary transit lanes.

Senator BARTLETT—In terms of the assessment of how this lanes procedure is going, have you got an overall review, a set of performance indicators, or are you just generally looking at how it is going and what the compliance levels are?

Ms Chadwick—We are looking at compliance issues. We are drawing heavily upon our own officers and the Queensland Parks and Wildlife officers who regularly patrol the Hinchinbrook and we also look to our local advisory committee, which has a large number of stakeholder and community people on it. While, of course, views differ from time to time, my sense is that there is a general level of comfort in terms of how they are going. But that does not mean that we are not monitoring it, because the Hinchinbrook is an incredibly important area for dugong.

Senator BARTLETT—So as well as monitoring compliance, you are monitoring the effectiveness of the proposal as a whole in terms of environmental impacts, dugong and the like?

Ms Chadwick—Yes. That is why I find it of interest that, in the last surveillance work of Professor Marsh, we found not only increased dugong numbers but also increased aggregations in dugong protection areas. No doubt there are many areas where we can improve, but I think that is one area where we are on the right track.

Senator BARTLETT—Is that the Helene Marsh report you were talking about?

Ms Chadwick—Yes.

Senator BARTLETT—Do you know when that report is going to appear? It sounded imminent. It sounded exciting as well.

Ms Chadwick—It feels imminent to me.

Senator BARTLETT—Good. You mentioned Nelly Bay?

Ms Chadwick—Only reluctantly, Senator.

Senator BARTLETT—There was a story recently in the media that the silt curtain at Nelly Bay was causing damage to the adjacent coral reef. Was that the case? Do we know what sort of damage occurred?

Ms Chadwick—Sadly, yes. Mr Skeat is certainly not responsible in that sense, but he has a direct knowledge of it.

Mr Skeat—It is certainly true that the silt curtain did come loose and cause some damage. I will give you a little background. GBRMPA required a silt curtain be introduced because it was our view that would be the best way to mitigate the effects of dredging. As it was being installed, the attachment at the bottom proved insufficient—and that was before dredging commenced—and the silt curtain billowed, caught on adjacent coral and was torn. Firstly,

there is an issue with the material that was torn off and has dispersed on the reef and, secondly, there has been an issue of abrasion on the adjacent coral.

Senator BARTLETT—Do we know how much coral was damaged or is likely to die as a consequence or what sort of area?

Mr Skeat—Yes. We have had GBRMPA divers as well as the environmental site supervisor examine the area. It is an area about 10 metres wide and about 100 metres long. Our advice is that the damage is obviously localised and that most corals should recover if the clean-up program is maintained. We would have liked to avoid that issue, but we believe that the benefit of the silt curtain is such that it was the best decision.

Senator BARTLETT—What are the costs involved and who covers the costs for that sort of damage?

Mr Skeat—There are two costs associated with it. The main costs are for the clean-up of the material which was torn from the curtain, and we have issued a directive to the company that they must clean that up. Those costs are entirely borne by the company. We have not estimated them, but they will be very substantial. The other cost is associated, obviously, with measuring the damage to the coral, and the costs associated with our divers will be borne by us. There will also be a cost that goes to the company associated with the monitoring consultant.

Senator BARTLETT—Is this type of event something that would normally trigger some sort of breach or fine, or something like that?

Mr Skeat—The answer to that is, potentially, yes. I think you might be aware of the arrangement associated with the development in this case which says that, first of all, there are a set of trigger levels and that, if those trigger levels are reached, you achieve a non-conformance. That creates an action whereby someone decides what needs to be done next, either the ESS or the management group. In this case there was clearly a non-conformance. We directed that the company should refit the anchors to the curtain and not undertake dredging until that material had been re-affixed. As a consequence, we did not move to the point of non-compliance. If they had then proceeded to ignore our direction, we would have achieved non-compliance.

Senator BARTLETT—The purpose of the silt curtain is obviously designed to catch sediment while dredging. When the dredging is finished and you remove the silt curtain, I presume you remove the sediment along with it; is that right?

Mr Skeat—The silt curtain, as currently configured, does not trap all sediment. The arrangement is such that we intend that the sediment be mobilised and moved, without danger to the reef, through the water system. If sediment is trapped within the curtain at the end of dredging, which we consider will be a problem for the reef, action will be taken to make sure that it is not. We currently have a consultancy occurring. We will have the report shortly, which will tell us how much sediment we have got and what its likely fate will be.

Senator BARTLETT—Finally, this question goes to the issue of Nelly Bay, but it is also a broader question. It is an issue that has come up a few times in the past and involves the dispute over whether revocation involves changing of the boundaries and that sort of thing at Nelly Bay. I am interested in it more broadly in terms of the cumulative impact of those sorts of things throughout the whole marine park area. I gather that, in some cases, this is with the authority and in other cases with the state government—reclamation work on islands and foreshores and the like at Hinchinbrook and, more recently, with Keswick Island. Is there a

consistent principle or approach that the authority takes to any of those sorts of activities of reclamation work?

Ms Chadwick—In relation to Nelly Bay, we relied upon what I understand to be called the *de minimus* principle. That was legal advice that we had sought some time ago, not in relation to Nelly Bay but in relation to a similar very small excision, and the best advice we could get was that it was, in fact, so minimal as to be of little consequence. However, we would take any excision from the GBR seriously. In fact, when one looks at the enormous amount of work that, in the broad, has gone into something like a Nelly Bay or a Hinchinbrook development, I think it would be fair to say that we would regard it as very serious.

Senator BARTLETT—It is still based on your assessment of the Attorney-General's advice, isn't it, that that does not require any formal process in terms of revocation or anything like that?

Ms Chadwick—I would have to say that, in terms of Nelly Bay, there was one additional factor. The excision from the marine park was several years ago—I think almost a decade ago—under the previously failed development. Quite apart from the exercise in a legal sense of the *de minimus* principle we had advice from our coral experts that, in the intervening years, there was quite significant coral growth on that portion that does extend into the marine park. Quite apart from the legalities, I would suggest that it is a judgment call: do you, in fact, insist on taking a few metres back into the marine park for the sake of purity, in terms of the integrity of the park, and in so doing destroy coral? It is an interesting dilemma. Our decision was that it happened many years ago; it was minimalist; and it was something about which we felt we had some legal principle to rely upon—in fact, there was coral growth there that would be destroyed if we demanded its removal.

Senator BARTLETT—Doesn't one aspect of the *de minimus* principle refer to things being incidental or unintentional, as opposed to an intentional action? It may still mean only a small change.

Ms Chadwick—I am happy to stand corrected, Senator, but my recollection is that it is 'so small as to be of no consequence or minimal consequence'.

Senator BARTLETT—Regardless of whether it is an intentional act or not?

Ms Chadwick—I am unaware of the notion of intent being part of *de minimus*. I do distinctly recall that it is so small in the overall scheme of things as to be of no consequence.

Senator BARTLETT—The issue of being intentional or otherwise is not referred to in the Attorney-General's advice?

Ms Chadwick—I am happy to stand corrected, but I have no recollection of the notion of intent being part of it.

Senator BARTLETT—I cannot correct you, because I have not got the advice. That will do, and thank you for your forbearance.

Senator Hill—I have a clarification, Mr Chairman. I think Ms Chadwick will be pleased to learn that in fact she does not include Liberal Party policies on her web site.

Ms Chadwick—I was just feeling bad that I had not read them if they were there.

Senator Hill—The GBRMPA web site has a link under its Commonwealth government links section called 'Coalition Environment Policy', along with other links such as 'Environment Australia', 'Federal Government' and 'Ministers and Parliamentary Secretary'. I

am told that if you click on the heading, 'Coalition Environment Policy', it simply takes you to the Environment Australia web site, which deals with official government policies such as Australia's Oceans Policy, the National Forest Policy Statement, et cetera. It does not link to anything run by the Liberal Party as a policy site and it is therefore non-political. As such, Ms Chadwick, the link could better be described as being government or Commonwealth environment policy.

CHAIR—Thank you, Minister.

Ms Chadwick—I should go and read it anyway.

Mr Beale—I also undertook, at Senator Bolkus's request, to ascertain that in relation to the former Watsons Bay marine biological station the Defence Housing Authority have advised that the decision on the future of the station would be taken by their board in close consultation with their minister. In considering their options on the property's future, they will refer their decision to the AHC, consistent with the requirements of section 30 of the AHC Act for advice. We will have regard to that advice and the duties placed on them by section 30, and will consider what obligations they may have under the EPBC Act. These obligations will depend on the nature of any action they propose to take.

Senator BOLKUS—Thank you.

CHAIR—That concludes the marine park, thank you very much.

[4.12 p.m.]

Australian Greenhouse Office

Senator BOLKUS—I just have a couple of general questions about greenhouse before we get to some of the specific programs. The first one is to Senator Hill. I refer him to the US administration's recent energy policy. I wonder whether Australia had any opportunity in the formulation of that policy in the lead-up to its announcement to provide any representation or submission to the US administration in respect to policy directions?

Senator Hill—Not that I know of. The policy was largely to address what the Bush administration saw as a lack of capacity. It used the terms 'energy crisis' and what changes it needed to implement in a policy sense to ensure the adequacy of energy to meet the industrial and domestic requirements of the United States. It was not predominantly about greenhouse policy or air quality policy. There was some reference to those issues but it was more overwhelmingly about future demand and sources of supply. What I am saying is that it largely related to another portfolio but as far as I know we did not provide an input and were not invited to provide an input.

Senator BOLKUS—Are you aware if any other portfolio or any other minister took an opportunity to make any input at all?

Senator Hill—That is what I was just trying to say. I do not think the Australian government through any other portfolio did. If you like, I will check with Minister Minchin, whose portfolio is obviously the nearest thing in Australian terms.

Senator BOLKUS—It would be pretty much unlikely, wouldn't it?

Senator Hill—I do not know why you would say that, Senator.

Senator BOLKUS—I have just a couple of questions before I finish this particular part of the questioning. Has the Greenhouse Office made any analysis of the US energy plan?

Ms Andrews—We have done a very brief assessment to date and we are continuing to look at it. In terms of whether or not there is enough information in there to help us determine projections, for example, for emissions from the US economy, I do not believe there is.

Senator BOLKUS—So you do not have any assessment at this stage, draft or otherwise, of what impact the plan might have on global emissions?

Ms Andrews—No, we have no data that would allow us to project what effect this policy might have on the US emissions profile at this point.

Senator BOLKUS—Even for this financial year or the year after? Your projection might be into the future, but you have not done an analysis at all?

Ms Andrews—We have looked at the policy. It is a fairly broad policy in terms of areas that the US government wishes to promote in its energy policy. We would look at it from the point of view of the effect on the greenhouse emissions of the US. Our conclusion is that there is not enough hard data in there to tell us anything.

Senator BOLKUS—Have you seen any assessments made by other entities or personnel?

Ms Andrews—No, we have not.

Senator BOLKUS—Can I refer to the advertisements run a bit earlier this year, the so-called Don Burke advertisements? Can you give us a costing of the whole exercise?

Ms Andrews—Yes, the invoices that are now in and paid total about \$3,917,422. There may be a few outstanding, but if there are, we believe they would be small.

Senator FAULKNER—Can you disaggregate that for us, please?

Ms Andrews—Yes, generally speaking the various creative agencies and research activities, plus the production and the commission fee from the government communications unit, would have added up to about \$400,000. The remainder was the purchase of television and print-outs.

Senator BOLKUS—Can we have a breakdown via research company, advertising agency and so on?

Ms Andrews—Yes, we do. There was a campaign coordinator: \$14,000.

Senator FAULKNER—Who was that?

Ms Andrews—The company was The Big Picture. Mark Dignam and Associates did some of the research that was required by the government communications unit—that was only \$500. Further research was done by Wirthlin Worldwide Australasia—it looks like about \$134,000.

Senator FAULKNER—Who was your contact person for that in Australia?

Ms Andrews—I am sorry, I do not know that; I would have to find that information.

Senator BOLKUS—Someone here might know. Can your officers help us there?

Ms Andrews—We can try and find it by the end of this afternoon but I do not have anybody from the communications unit here.

Senator FAULKNER—Was Mr Mark Texter involved in that?

Ms Andrews—I am not sure; we can try and find that out. To continue, J Walter Thompson was the production company. That was \$178,000. We apparently paid three

agencies pitching fees of \$3,500 each. The government communications unit has a standard 1.5 per cent commission fee that, in this case, added up to \$53,000.

Senator BOLKUS—Which were the companies that were paid the pitching fees?

Ms Andrews—Again, I would have to get that information for you.

Senator BOLKUS—Is there an officer in the room next door who can help us?

Ms Andrews—I do not believe there is, but we can get it by telephone before the end of the hearing.

Senator BOLKUS—Can someone get it by telephone while we are going through this now?

Ms Andrews—Yes.

Senator FAULKNER—What assessments have been made by the Greenhouse Office or Environment Australia about the effectiveness of this campaign, if any?

Ms Andrews—There has been one quantitative communications assessment which was done by Wirthlin Worldwide as part of the overall research contract that I just spoke about. That was an assessment done by telephone of just over 1,000 respondents and that was received by us just recently.

Senator FAULKNER—What was the general assessment made?

Ms Andrews—I will list some of the key conclusions. They found that 88 per cent of respondents considered the greenhouse effect to be a real problem and only nine per cent considered it a myth. Seventy-six per cent believed they could individually contribute to the reduction of the greenhouse effect; only 23 per cent felt that it was beyond the individual's ability to make a difference. Ninety-four per cent of the respondents favoured the messages in the advertising and 75 per cent considered those messages quite believable. Overall, respondents considered themselves to be rather uninformed about the greenhouse effect itself and, in terms of their knowledge of the issues, rated themselves just under five on a 10-point scale.

Senator FAULKNER—Did you have figures to compare this with prior to the advertising campaign? This is a communications assessment that was conducted after the advertising has been on air? That is right, isn't it?

Ms Andrews—Yes, it is. It was probably just before the campaign ended.

Senator FAULKNER—Is there something to compare it with? Are there any quantitative assessments or empirical assessments of these community views prior to the commencement of the campaign, so you can actually try and assess the effectiveness or otherwise of the campaign?

Ms Andrews—We have done market research in the past. I am not certain that it would have been specifically directed to exactly the same question. I would have to go back and see the extent to which that research would have provided us with baseline data that is relevant to these results.

Senator FAULKNER—Whose initiative was this particular campaign?

Ms Andrews—It was the government's initiative.

Senator FAULKNER—But did the idea generate in government or did it generate out of the Greenhouse Office or the department?

Ms Andrews—As I recall, it was a decision concurrent with the government's approval of some issues relating to how we were going to implement the measures for the better environment measures. In other words, we had received a fair amount of funding there, including the greenhouse gas abatement program funding. We made proposals to government for a consideration regarding how those programs were to be implemented and it was part of the government decision that there should also be a communications element to that.

Senator FAULKNER—Given the government had made a decision to have a communications campaign—this is a pretty substantial one, around \$4 million—it seems to me that it would be perfectly reasonable to try and assess the effectiveness of the communications campaign or the advertising campaign. I am still trying to understand what we are to compare the figures that you have given us with.

Ms Andrews—I will go back and we will look at the previous research we have done, which generally indicated a low level of awareness amongst the community of the greenhouse effect and knowledge of what created it. I cannot guarantee that there will be one-to-one comparisons in terms of those figures, but we will do our best to assess how these figures apply to the baseline that we have through that research.

Senator FAULKNER—Did the agency come up with the idea of using Don Burke?

Ms Andrews—One of the three companies that pitched for the campaign proposed Mr Burke.

Senator FAULKNER—Are you able to indicate to the committee what using Mr Burke's services cost?

Ms Andrews—Mr Burke gave his services free.

Senator FAULKNER—I read that in a number of articles about the campaign. Was this an initiative from one of the companies pitching?

Ms Andrews—That was where the idea originated, yes.

Senator FAULKNER—With the company that was pitching?

Ms Andrews—To my knowledge, yes. That is where I first heard that.

Senator FAULKNER—I was just trying to understand how Mr Burke was involved in the campaign. But that is because a company that was responsible for one of the pitches actually took the initiative? Do I understand that correctly?

Ms Andrews—Yes, to my knowledge that is how I recollect it.

Senator FAULKNER—There was some publicity—I am sure you would recall it—that indicated that Mr Burke's services effectively came free of charge.

Ms Andrews—He donated his services himself.

Senator FAULKNER—Have you thanked him for that, Senator Hill?

Senator Hill—I have not spoken to him since, personally.

Senator FAULKNER—That would be the government's intention, given that—

Senator Hill—I certainly appreciate it. He obviously has a deep interest in the issue and recognised that addressing the task of educating the broader community that they can be part of the solution by taking what are relatively simple measures was a worthwhile message to

give. The fact that public figures are prepared to become involved in public campaigns for public benefit is highly condemnable.

Senator FAULKNER—Yes, I agree with you. It would probably be appropriate if you did thank him on behalf of the government. How much of this advertising was television advertising, how much, if any, was radio and how much was newspaper and other media?

Ms Andrews—I do have some figures here. In terms of television advertising, across the three networks in a six-week period, we had 425 sixty-second advertisements, 375 thirty-second advertisements, 660 fifteen-second advertisements and a further dozen advertisements, and my figures seem to have some problem qualifying whether those were 60 or 30 seconds. So that is the total television advertising.

Senator FAULKNER—Can you just give us the cost of the TV placements, please?

Ms Andrews—Yes, according to the figures I have, it was \$2,557,418. We had a full-page advertisement in national newspapers on a Saturday and on a Sunday in capital cities and also in 391 regional papers. The total for that was \$648,690. We then had advertising, including both double-page and full-page spreads, in the following magazines: *The Australian Women's Weekly*, *Woman's Day*, *New Idea*, *Who Weekly*, *Better Homes and Gardens*, *Burke's Backyard*, *Australian Geographic*, *The Australian Magazine* and *Good Weekend*. The total for that was \$296,032. In non-English speaking background press and radio activity, we had two full-page advertisements in press and two 30-second ads. I am not sure where they were placed, but that was a total of \$82,596.

Senator BOLKUS—Can you come back to us with details of where they were placed?

Ms Andrews—Those NESB ones, yes. We will look for that.

Senator BOLKUS—Press and radio?

Ms Andrews—Yes.

Senator FAULKNER—Thank you very much for that. What about the supply of artwork for the newspaper advertisements? Was the artwork developed in-house, was it developed by an agency, or was it a mixture of both?

Ms Andrews—It was not developed in-house, but I cannot tell you which agency in this mix developed it.

Senator FAULKNER—Can you let me know about the advertising in the Sunshine Coast *Sunday Mail* of 15 April 2001?

Senator Hill—What in particular would you like to know about it?

Senator FAULKNER—I would like to know what the cost of it was?

Ms Andrews—Was it 5 April?

Senator FAULKNER—No, 15 April 2001. This is something described as the Somlyay report that was contained within that newspaper. I am wondering what the policy is in relation to the lodgment of these advertisements inside this sort of newspaper lift-out, if you like. It was authorised by Mr Somlyay and printed by Queensland newspapers. I would like to know a little bit more about this. First of all, I would like to know the cost of it.

Ms Andrews—We will have to find that for you. I cannot tell you, obviously out of the 391 regional newspapers that we advertised in with this ad, what the cost of a particular one was.

Senator FAULKNER—Would there be someone over in your office who might be able to nail this down? Is it possible—and it seems possible on the face of it—that some of this artwork might be given to people for placement in newspapers or magazines if they requested it? Is there any policy guidance on that?

Ms Andrews—In other words, you are asking whether this was part of the buy or whether the artwork was provided to a newspaper to insert under its own steam.

Senator FAULKNER—I did not ask the question quite as crudely as that, but I do contemplate that it is possible that artwork might be provided on a no-cost basis, I suppose.

Ms Andrews—It is probably possible. I will have to check if, in this case, that was what, in fact, happened.

Senator FAULKNER—Would we be able to come to this at a later stage, do you think?

Ms Andrews—We can try. It is a very specific question and it may take some tracking back through—

Senator FAULKNER—It is; that is why I thought you might be able to hammer it down.

Senator Hill—It was a public education message that we were trying to have widely disseminated. We were being asked to do so by all sorts of constituencies, including the Senate itself which made its first recommendation in its report on greenhouse—obviously supported by Senator Bolkus because he was a member of that committee—that there should be a public education campaign on greenhouse. I do not know what occurred, but if the artwork has been distributed to further extend its communicate, it should not affect what sounds to me to be a very sensible thing.

Senator FAULKNER—I do not know what occurred either, so that is why I am asking the question, Senator Hill, as you would appreciate. I am not going to rush to judgment on this, but I would like to know what the background is in relation to this particular newspaper and I would like to know, if there was a payment, who it was made to. I know Senator Bolkus has got some more questions in this area, and I might come back at a later stage.

Ms Andrews—I have some of the information that you have just asked for. In terms of a contact with Wirthlin, the original contact was Mark Texter.

Senator FAULKNER—That is hardly a surprise; it is the usual suspects. That is the Liberal Party pollster, Mr Mark Texter.

Senator Hill—I thought you were not rushing to judgment, Senator. Just because someone has done some work for the Liberal Party, it does not mean he is not necessarily a good person to do a professional job.

Senator FAULKNER—He trades, as I understand it, in Australia under the Wirthlin Worldwide trading name. Hence, I asked the question: was it Mr Mark Texter? It has now been confirmed that he was the original contact. As a public information service, I just provided some information to indicate—just in case you were not aware of it, Senator Hill, but no doubt you are right in the loop and are aware of it—he is the Liberal Party pollster. So we all know now.

Senator BOLKUS—It is a statement of fact.

Senator Hill—The Liberal Party uses a range of pollsters, actually.

Senator BOLKUS—He is the favoured son, though, isn't he?

Ms Andrews—There is one thing I do want to correct: there were, in fact, four companies that pitched for the ad. They were M&C Saachi; Collins Thomas and Cullen; Cummins and Partners; and J. Walter Thompson, who were the successful company.

Senator FAULKNER—Thank you, that is great. We might come back at the committee's convenience and deal with this other issue. That is really all I want to deal with today, Senator Hill. As I have put those questions on the table, would you like me to broaden out the other questions I have in relation to this? I will seek Mr Beale's guidance or your guidance as to where they are best directed, but I am quite certain they do not actually belong in this program, the Australian Greenhouse Office. Given that they are similar in nature, it might be appropriate to raise them now and give an official a chance to ferret out the information. That is a matter for you, Senator Hill. It would be at your convenience. I just thought it might save some time.

Senator Hill—I am but a servant of the committee, Senator.

Senator FAULKNER—I knew that, so that is a relief for everyone. I go back to the Sunshine Coast *Sunday Mail* of 15 April 2001, and this has been drawn to my attention by a couple of concerned constituents.

Senator Hill—Concerned constituents!

Senator FAULKNER—Well, you do have people who worry about these issues, Senator Hill, and I am pleased to—

Senator Hill—I did not even know you had a candidate.

Senator FAULKNER—A candidate? I do not think the *Sunday Mail* on the Sunshine Coast is an exclusive Liberal Party production, Senator Hill. I think it has got quite a wide readership, and amongst its wide readership are at least two people who have raised with me this important issue of these advertisements. I am just asking you—which seems to be totally in order.

CHAIR—A vital issue. Please proceed.

Senator FAULKNER—I agree with you. Could I ask similar questions in relation to the advertisement that is placed for Coasts and Clean Seas, a program of the Natural Heritage Trust, with the Commonwealth logo? I do believe this looks like an NHT advertisement. Could I ask also about Coastcare and the use of the Coastcare symbol or logo? Could this be addressed also, Mr Beale: are there any copyright issues in relation to the use of the Natural Heritage Trust logo, the Coastcare logo, and the like. I know Senator Hill examines what occurs in parliamentary committees, so be aware that this sort of issue has been raised on a number of other occasions in parliamentary committees. I would be interested in knowing, in relation to the NHT advertisement appearing on page 11, whether any moneys were paid or whether art work was provided, and the background to this. We can explore that at a later stage.

Mr Beale—I could not hear the last bit.

Senator FAULKNER—It appears on page 11 of the *Sunday Mail* on the Sunshine Coast. There does appear there is an NHT advertisement. It appears to be an advertisement and it may be that finished artwork, again, has been provided. It does appear to be the case with the Greenhouse Office. I am interested in the use of logos and symbols from Coastcare, NHT, and the like. I am interested in what the background processes were to this occurring and if, in fact, any Commonwealth moneys were paid as a result of what appears to be advertising—I

stress, I am qualifying my question because I am not certain; I did with Ms Andrews also—that is identical to what has appeared in other newspapers that I imagine has been paid for by the Commonwealth. They are the issues I would like to explore.

Senator Hill—We can do some further searching to verify this, but I am told there was no AGO funding for the insert and I suspect it is therefore likely that there was not any departmental funding in relation to the others.

Senator FAULKNER—So there was no Australian Greenhouse Office funding. How does it work?

Senator Hill—You have it; I have not seen it. I gather this is a supplement to a newsletter prepared by Mr Somlyay, which may have the normal public support that is given to members of parliament for the production of newsletters, not money from us. In other words, it would seem he has taken our public information campaign in relation to greenhouse and reprinted it in his newsletter—which, as I said, is something that I would applaud.

Senator FAULKNER—I am not suggesting here that this is a misuse of Mr Somlyay's entitlements, Senator Hill. As you would appreciate, House of Representatives members, as do senators—it is more limited in the case of senators—have a capacity to produce this sort of material. There is no doubt about that. There is an entitlement that they have to do so. My interest is only in any—if there is any—involvement at a departmental level with providing that material or if that material is provided for. That is what my questions go to. I am not suggesting that there is a misuse of entitlement, if that is what you were suggesting.

Senator Hill—I am told that the answer is no, but the officials can verify it.

Senator FAULKNER—The answer to what question is no?

Senator Hill—That there has been no AGO funding in the insert.

Senator FAULKNER—If that is the case, you might indicate to me on what basis material is provided for this sort of use. Was finished artwork provided? On what basis? How are such offers made to members of parliament? Was it limited only to government members or parliament or were opposition members also able to utilise this capacity? I would just like to understand what the background and the processes behind it are as well. We can come back at a later stage.

Senator Hill—It has been suggested to me that he probably simply took the artwork off the web site. AGO can do its searches and, if there is anything different, come back.

Senator FAULKNER—As I indicated to you, it does not only relate to the AGO; it also relates to the NHT and I think to Coastcare. I was asking a specific question about use of Coastcare logos. If you could follow those other issues up.

Senator Hill—I said that Mr Beale could check but, in all likelihood, it will be the same answer.

Senator FAULKNER—We will see.

Senator Hill—I am very confident of that.

Senator BOLKUS—Just a couple of follow ups to the Burke exercise: where has the research work that was done been disseminated?

Ms Andrews—It has been recently received, so we have not disseminated it anywhere yet. It is an evaluation of the campaign itself, and we will be formally advising ministers on that shortly.

Senator BOLKUS—Did that cost \$134,000 or was there something else along with it?

Ms Andrews—No, that was part of that funding, but there was other research that was require—in terms of consumer focus groups, for example—through the MCGC requirements that Wirthlin also did for us.

Senator BOLKUS—What did they spend—one-third on focus groups, two-thirds on—

Ms Andrews—I do not know. I would have to check what the breakdown is.

Senator BOLKUS—Can you tell us how many focus groups there were?

Ms Andrews—Not off the top of my head, but we can try and find out for you.

Senator BOLKUS—Can you tell us what propositions were put to the focus groups?

Ms Andrews—Again, we would have to go back and look through the files.

Senator BOLKUS—Was that discussed with you at all?

Ms Andrews—It was, yes.

Senator BOLKUS—Did you settle on those propositions to go to the focus groups?

Ms Andrews—No, the research companies settle on the discussions with focus groups.

Senator BOLKUS—But you know what propositions were put to the focus groups, do you?

Ms Andrews—It is not a question of position so much as attempting to draw out the knowledge and attitudes of people in the focus groups, as I understand it. I did not personally attend any of those focus groups but I was briefed on some of the results.

Senator Hill—This, you understand, was prior to the advertisements. It was to assist in the development of the message.

Ms Andrews—Yes.

Senator Hill—Senator Bolkus probably knows more about focus groups than I do, but I thought the purpose was to get those in the focus group to communicate their thoughts on these subjects rather than simply asking a series of questions.

Senator BOLKUS—You got a message that, at the end of the day, really promotes the government more than the issue. I am trying to work out whether this was something that was discussed in the focus groups. Ms Andrews says she can come back to us with the sorts of propositions that were discussed with the focus groups. Can you do that, Ms Andrews?

Senator Hill—Any promotion of the government is really incidental, because the message to the community was that they should not simply regard greenhouse as somebody else's problem: by their own personal actions they can contribute to a better outcome. If the government gets some credit for recognising the fact and taking that message to the community, so be it, but principally it is an effort to help achieve a better greenhouse outcome for Australia by getting the broad range of the community out there participating and engaged.

Senator BOLKUS—I think most objective observers in this instance thought that the government was being promoted more than the issue, Minister; that is the concern.

Senator Hill—I heard that from the Labor Party, but I did not hear it much beyond Labor.

Senator BOLKUS—What do you intend to do with the research?

Senator Hill—Which research?

Senator BOLKUS—The research that you paid \$134,000 for?

Senator Hill—It was the research that led to development of the ads, and then there has been some evaluation since. Obviously the evaluation since will help governments in this continuing challenge of public education of the community in greenhouse matters.

Senator BOLKUS—So you will provide that research to the committee?

Senator Hill—We will consider that. We do not normally do so, but I would like to see it first.

Senator BOLKUS—What sort of guiding basis would it provide for the Greenhouse Office, Ms Andrews?

Ms Andrews—I think it will, essentially, help to add to our store of knowledge about the level of awareness in the public about greenhouse—which has been increasing over the three years that we have been involved in this. What we are really looking for is an increase, first, in the level of awareness and, second, in the willingness to make behaviour change. We will be tracking that in a baseline and trend sense as we go along.

Senator BOLKUS—Did the research in any way go to that issue of people willing to make personal changes?

Ms Andrews—It did. I think I recall saying earlier that at least three-quarters of the people who responded now felt that at least it was within their capability to make behavioural changes and that could have some affect on the greenhouse effect itself. It is that trend that we would wish to promote in the future. In fact, we have a range of communications activities within the office that can help follow up on that.

Senator BOLKUS—You do not know whether that was 76 per cent before the campaign or even more, do you?

Ms Andrews—Again, I would have to go back to the existing research that we have done to see if we could pull those conclusions out, as to whether there was a comparison.

Senator BOLKUS—When were you provided with this research?

Ms Andrews—The evaluation research or the campaign research?

Senator BOLKUS—The evaluation.

Ms Andrews—The actual survey was taken in April. I believe we were provided with the final evaluation report some time in May.

Senator BOLKUS—Do you expect that out of this research you will be redirecting some of the programs?

Ms Andrews—Yes. We expect that it can tell us a fair amount, in terms of what the level of public awareness is and what sorts of messages can help us raise that level and direct people's attention to the issue.

Senator BOLKUS—So we expect more advertising campaigns, do we?

Ms Andrews—It is possible there may be in the future. But we certainly have other communications activities through our programs—in particular, through the call centre that the AGO runs—where that information will be useful as well.

Senator FAULKNER—Are there any advertising campaigns planned at this point?

Ms Andrews—No.

Senator FAULKNER—Did the Greenhouse Office move to formally thank Mr Burke for his contribution on this?

Ms Andrews—No, we did not.

Senator BOLKUS—Who decision was it to advertise during *Burke's Backyard*?

Ms Andrews—It would have been part of the general media buy which was done through Mitchell Media.

Senator BOLKUS—Do you know how much those ads cost?

Ms Andrews—The particular ones on Burke's Backyard? No, I do not; I would have to find out for you. It was not on *Burke's Backyard*; I believe it was in the magazine. I would have to look that up through Mitchell Media.

Senator FAULKNER—It strikes me as a bit odd if Don Burke has given a substantial contribution here in terms of his time and efforts in relation to this advertising campaign and no one from the government or the department has seen fit to say, 'Thanks very much'.

Senator Hill—I do not think you should assume that. It's just that I have not.

Senator FAULKNER—I am sorry. I just assumed you were telling the truth when you said you did not thank him.

Senator Hill—No—I have not seen him personally.

Senator FAULKNER—But you wrote to him?

Senator Hill—I only ever met him once. I look forward to seeing him and personally thanking him.

Senator FAULKNER—I see. That is what I was saying. No one has thanked him.

Senator Hill—No, I did not say that. I said I have not thanked him.

Senator FAULKNER—Has anyone thanked him?

Senator Hill—I have not personally seen him or spoken to him. I would like to. I would like to communicate the thanks of the government. It was very good of him to do it. He copped a lot of abuse from the Labor Party for doing so.

Senator FAULKNER—Yes; but you did not see fit to thank him.

Senator BOLKUS—Not yet he hasn't.

Senator Hill—That is one of the reasons it is difficult to get public figures to do these sort of things: because of the sort of abuse they get.

Senator FAULKNER—Yes, because they do not get thanked.

Senator BOLKUS—Minister, did you not thank him because a week later or during that same week of the ads he actually came out and supported Labor Party's initiative on land clearing?

Senator Hill—I must have missed that, I am afraid.

Senator BOLKUS—I do not think you did.

Senator Hill—I beg your pardon?

Senator BOLKUS—I do not think you did.

Senator Hill—I must have missed that.

Senator BOLKUS—Pretty clear and unequivocal.

Senator Hill—I did not hear anything from the Labor Party on land clearing until the recent election.

Senator BOLKUS—We always hear about you, but your colleagues hear about it first.

Senator FAULKNER—Did Mr Somlyay contact the department, either the Greenhouse Office or more broadly Mr Beale, in relation to the process of lodging these sorts of advertisements in the Somlyay report?

Mr Beale—Sorry, I did not hear the first part of the question.

Senator FAULKNER—Did Mr Somlyay contact the department in relation to the mechanism or process for the placing of ads.

Mr Beale—Not that I am aware of but I have asked that those questions be addressed by the relevant officers

Senator FAULKNER—And I ask the same question of the Australian Greenhouse Office.

Ms Andrews—It is the same answer. I am not aware that he did, but he could have—and I will check that out.

Senator BOLKUS—Thank you. Did the research go to the Kyoto protocol at all? Was that discussed?

Ms Andrews—No, I do not believe it was.

Senator BOLKUS—So you did research on greenhouse without discussing the Kyoto protocol?

Ms Andrews—The particular research was to support a broadly based public awareness campaign about the greenhouse effect and how people could contribute to minimising it. It was not specifically on an international treaty. Until recently the level of knowledge about that international treaty was much less than the level of knowledge about global warming itself.

Senator Hill—That is part of the point—that people read about the Kyoto protocol and the like and they do not believe it affects them, whereas in fact there is a great deal they personally can do to contributing to a better greenhouse gas emissions profile.

Senator BOLKUS—Do you yourself turn off your television at the power point?

Senator Hill—Not as often as I should.

Senator BOLKUS—So you do not do it yourself but everyone else should?

Senator Hill—I should.

Senator BOLKUS—But you do not?

Senator Hill—Not always, no.

Senator BOLKUS—I am just seeing how well you are going on your ten-point score card.

Senator Hill—Not always.

Senator BOLKUS—Do you wash your clothes in cold water?

Senator Hill—I should have watched the ad more often, I think.

Senator BOLKUS—He is not answering that.

Senator FAULKNER—I do not think he does much cooking, so I cannot ask him about point 6. He has certainly never invited me to dinner, anyway.

Senator BOLKUS—Not many people do.

Senator FAULKNER—It is very wise, really. Have you followed these ten points, yourself, Senator Hill?

Senator Hill—There is room for improvement, Senator.

Senator FAULKNER—You have not been looking at your own advertisements. I was worried about that.

Senator Hill—I looked at the advertisements. I thought there were all sound messages.

Senator FAULKNER—Particularly the promotion of the government.

Senator Hill—It probably needs to be rerun to reinforce the message so I could do it more often.

Senator FAULKNER—A bit more promotion of the government, eh?

Senator BOLKUS—Did the research cover the issue of what the government was doing, whether that was enough?

Ms Andrews—Not directly, no. I do not believe it did.

Senator BOLKUS—It did not go to Kyoto. It did not go to government activity. Whose decision was it to run the ads in prime time? How much did it cost to run them in prime time?

Senator Hill—In another estimates committee we hear how these things are determined: there are buyers that give advice as to the most effective timeslots. It takes experts to determine whether you do better by running more often in the lower listening or viewing slots or less often in the higher timeslots.

Senator BOLKUS—Minister, the truth is that if you are paying for them yourself as a party, you would not be able to afford the prime time. When you are paying with taxpayers' funds the sky is the limit, basically, so what did it cost?

Senator Hill—That is not the point at all. The point is that a budget is worked out for the campaign; you take advice on the most effective way to communicate the message.

Senator BOLKUS—You think that sometimes prime time is not the best way to go?

Senator Hill—You are asking me about an area of expertise in which I am not qualified to give you an answer.

Senator BOLKUS—Minister, Kyoto was not important for your advertising campaign; it was not important for the research. Are you going to the next meeting of the conference of the parties in Bonn?

Senator Hill—I expect so.

Senator BOLKUS—When do you expect the US to finalise its Kyoto mark 2, the alternative to the Kyoto Protocol?

Senator Hill—I am expecting at least a framework by the middle of this month.

Senator BOLKUS—Sorry?

Senator Hill—There has been some expectation that by the time President Bush goes to his high level meetings in Europe in mid-June, he would have at least put out a framework for

the new policy. Whether the administration will be ready for that will be something that we will simply have to wait upon.

Senator BOLKUS—Carbon trading seems to be talked about as an integral part of the US alternative proposal. Have you picked that up?

Senator Hill—No. Carbon trading would be only in a voluntary sense. I cannot understand how carbon trading can work effectively without carbon caps. President Bush specifically said that he would not impose domestic carbon caps.

Senator BOLKUS—At the same time the Europeans are developing a carbon trading concept as well.

Senator Hill—We are all developing carbon trading concepts.

Senator BOLKUS—Everyone but Senator Minchin, by the look of it.

Senator Hill—As you know, Australia has been working on the issue of carbon trading for some years. You have got to create a market and you need a cap on carbon to do that. What Kyoto did was set caps on industrialised countries, which would have provided the basis for an international trading scheme. The position of the Australian government was that, if that came into effect, we could look at a domestic scheme that could complement it.

Senator BOLKUS—Have we given up on the Kyoto Protocol?

Senator Hill—No. Our position is that Kyoto was an historic agreement. It is the only time that developed countries have ever agreed as a group to reduce Greenhouse gas emissions. We believe we got a fair target, which we are seeking to implement through a major program, a suite of programs, administered by Ms Andrews and the AGO, and we signed the protocol.

Senator BOLKUS—You are talking about, for instance, President Bush's position without caps being unworkable as a trading scheme. But the Europeans are developing one which is probably with caps. How does the Kyoto Protocol get a fresh lease of life in this context?

Senator Hill—When you say the Europeans are developing one with caps, I think there are only two European countries that have any form of domestic carbon limitations. The point that I have been making is that I find it difficult to see how you can have an effective global scheme to reduce greenhouse gas emissions without the world's largest emitter.

Senator BOLKUS—There is a meeting in Bonn in the middle of July, a continuation of COP 6. President Bush is going to Europe just before that. Would you rather see that meeting in Bonn deferred to COP 7, or do you think you could drive something useful in Bonn in the extension of COP 6?

Senator Hill—I think it is difficult to answer before we know the US position. What I would hope is that the US does not abandon the principle of mandatory targets.

Senator BOLKUS—You have told us that President Bush has knocked that off already.

Senator Hill—No, he said that he was not prepared to impose domestic caps on industry. He has not actually said that he is opposed to what was the core of the Kyoto agreement, which is mandatory obligations on nation states, industrialised countries. That was the difference between Kyoto and the framework agreement. One was voluntary; the other one was mandatory. The stated objections to the Kyoto Protocol have been that it did not provide those mandatory obligations to developing countries and that the cost to the United States' economy in meeting the target that had been set by the previous administration would be too much to bear.

Senator BOLKUS—Having said all that, do you still think there is value in a Bonn meeting, or would you prefer to have it postponed to November?

Senator Hill—As I said, I think it is too early to answer that question. If the United States accepts the principle of mandatory targets, then I think there is something to work with. If it doesn't, then a meeting that does not include the United States to try and determine the rules for Kyoto—which would be rules to implement an agreement that would not lead to an effective global outcome—would have to raise questions.

Senator BOLKUS—There are a couple of other issues still alive since The Hague. At the next round of talks, will Australia still support the inclusion of nuclear technology in the CDM?

Senator Hill—We have never seen why nuclear technology should be excluded. We have always said it should be the choice of the developing country in which the investment is being made. Nuclear technology obviously has good greenhouse outcomes and if it is the choice of sovereign governments to go down that path we have never been able to see a logical reason why it should be excluded.

Senator BOLKUS—So that will still be our position?

Senator Hill—I cannot imagine that changing.

Senator BOLKUS—The other thing is that the government seems to be saying—particularly Senator Minchin on behalf of the government—that the government would not ratify the Kyoto Protocol unless there is greater engagement by developing countries. What is the government's expectation of greater engagement?

Senator Hill—We have said from day one—from November 1997—that a shortcoming of the Kyoto Protocol that would need to be overcome before we would ratify was developing country participation because, without that, Australia runs the risk of what we refer to as carbon leakage. That is, Australian industry moving offshore to obtain an economic advantage at no greenhouse benefit, which clearly is not the purpose of the Kyoto Protocol. Since November 1997, we have been working with others in trying to find a way in which we can get an acceptable level of developing country participation.

Senator BOLKUS—That brings us back to this: what can you live with in terms of greater engagement?

Senator Hill—We have never defined a bottom line because it is an ongoing negotiation. As you know, at the meeting in The Hague last year there were a number of proposals put forward which linked increasing participation with further economic support, particularly in relation to technology transfer. There has not as yet been a successful outcome of those negotiations.

Senator BOLKUS—Do you insist on reductions in the first commitment period?

Senator Hill—We may not. As I said, the details have never been concluded and we have never publicly stated a bottom line in that regard. The test that we apply is whether it overcomes that shortcoming of carbon leakage, or economic transfer for no greenhouse benefit.

Senator BOLKUS—So it could be less than the first commitment period but Senator Minchin continues to talk about something needing to be done about constraining the emissions from developing countries.

Senator Hill—That is correct in two ways: firstly, because emissions from developing countries are about to overtake emissions from developed countries, if you are interested in a better global outcome we need participation from all; and, secondly, as things stand at the moment, there are economic distortions which were not intended as a product of the Kyoto Protocol. Those economic distortions for no greenhouse benefit need to be overcome.

Senator BOLKUS—I take it you are saying that, when the government says ‘constraining emissions from developing countries’, that does not have to take place in the first commitment period?

Senator Hill—We have never specified a bottom line in those negotiations. There is a whole range of possibilities. As you also know, the developing countries—and we are talking about the major emitters here, not the least developed countries—have been unenthusiastic about even engaging in that debate.

Senator BOLKUS—Is the Australian government going to consult in the lead-up to Bonn? Will you develop a position and make it public before you go to Bonn?

Senator Hill—That is our usual practice, yes, before the major meetings. We do not necessarily put out all the detail but certainly the principles. We, at a cabinet level, meet regularly on the subject and where necessary modify our negotiating position.

Senator BOLKUS—Is there a time line that says when we can expect that there would be a public announcement?

Senator Hill—We simply make a statement before each of these major meetings as to any particular emphasis or variation in our well-known positions.

Senator BOLKUS—What is our strategy between now and the Bonn meeting, either on a multilateral or bilateral level, to try and progress some of the issues? Are you sending people to various governments, either from overseas posts or from within Australia?

Senator Hill—Meetings are continuing to take place, through the auspices of the convention, bilaterally and within groups, and they take place at both official and ministerial level.

Senator BOLKUS—Will you be going overseas for a ministerial level talk before the resumed meeting in Bonn?

Senator Hill—I am not sure about that. The president of the COP is calling further informal meetings in late June but it is a very difficult time in relation to my various other obligations.

Senator BOLKUS—Preselections in Adelaide?

Senator Hill—Preselections are well out of the way.

Senator BOLKUS—You will be sending officials, I presume, to that meeting?

Senator Hill—I have not made a decision on that yet. Australia will certainly be represented but whether we go at ministerial level we have not decided.

Senator BOLKUS—Do we have any contact plan between us and the USA or us and the chairman? Is there one particular person or a couple of people who might be handling negotiations for Australia before the Bonn meeting going to those two locations?

Senator Hill—I obviously keep in touch with my counterpart in the United States and officials do likewise. We have a negotiating team. It has been in place for some time.

Obviously, they are now getting to know a new group from the United States. The chief negotiator for the United States has just been confirmed by the senate. Some of the other positions are still not in place. Of course, it has been a cabinet committee that has been working up the new greenhouse policy within the United States administration.

Senator BOLKUS—I can turn to domestic greenhouse activity now, if you like. Can give us a list of all the grants programs administered by the AGO, including any which might have been announced in the budget?

Ms Andrews—Existing grants programs include our Greenhouse Gas Abatement Program, the Renewable Energy Commercialisation Program and there is a Renewable Energy Showcase program, which was fully committed some time ago.

Senator BOLKUS—Sorry, a renewable energy showcase program?

Ms Andrews—Yes. There is also a renewable energy equity fund—which is different from a direct grants program—a public equity fund, the Photovoltaic Rebate Program, the Renewable Remote Power Generation Program, CNG infrastructure program, the Alternative Fuels Conversion Program and household greenhouse action. There is also a subprogram of cities for climate protection called the Emissions Reduction Incentive Program. I believe that is it.

Senator BOLKUS—Greenhouse Allies?

Ms Andrews—Yes, Greenhouse Allies.

Senator BOLKUS—Are there any other one-off grants?

Ms Andrews—There are some that we have done for voluntary initiatives in the building sector.

Senator BOLKUS—You say that you have done them—are you still doing them?

Ms Andrews—No, we have not committed any new funds. There was one round of grants.

Senator BOLKUS—How much was that worth?

Ms Andrews—We would have to find that information, I am sorry, we do not have it here. There was one grant to Geodesk, which is an industry consortium that is looking at potential for geographical sequestration of carbon dioxide.

Senator BOLKUS—How were those last two one-off grants funded? Where was the appropriation for those?

Ms Andrews—The programs that we funded in the building sector at the time came from the program that was in the Prime Minister's package on the building sector, which was at that time not entirely specific about the mandatory or voluntary nature of programs in the building sector. We ended up with minimum energy performance standards to be incorporated in the building code, which is a mandatory requirement. We also were able to allocate some money to voluntary best practice programs.

Senator BOLKUS—So let us take the first one—who were the recipients of voluntary initiatives in the building sector?

Ms Andrews—We need to get that for you in terms of a full list, but I can recall some of them. For example, I believe we gave the Australian Building Energy Council a grant. We would have given the Housing Industry Association a grant.

Senator BOLKUS—You might be able to recall some, but in respect of all the grants programs I am going to be seeking some fairly comprehensive information. We are going to break between 6 and 7 o'clock, so it might be advisable to have people here who can answer the questions after 7 o'clock.

Senator Hill—What do you want to know?

Senator BOLKUS—I just want to go through the grants programs and get some detailed information tonight, rather than put them on the never-never.

Ms Andrews—Individual grants?

Senator BOLKUS—I will be going through the grants programs, so I will obviously be asking who the recipients are. As to the actual details of the individual grant, I do not intend to go through those at this stage.

Senator Hill—So it is the process of selection.

Senator BOLKUS—Essentially, the process and recipients. For instance, we started with voluntary initiatives in the building sector, but no-one can tell me what the grants were worth or, comprehensively, who received them. Can you now?

Ms Andrews—We have a database. There have been a fair number of grants under those programs—for example, the Renewable Energy Commercialisation Program would have had several dozen grants.

Senator Hill—Over some years.

Ms Andrews—Over some years, so we do have that information available.

Senator BOLKUS—Good, you might make it available tonight.

Ms Andrews—We might need to compile it.

Senator BOLKUS—It might be useful to have people here who know something about the administration of these grants programs. For instance, I asked the value of the grants in the building sector—you do not know that. I would probably be seeking that sort of information for the other programs. When you are referring to the building sector you also refer to best practice in the building sector.

Ms Andrews—The voluntary portion of the funding that we have given to the building sector has been for initiatives that move beyond the mandatory minimum requirements that we intend to put in the building code and that are being worked on now. So the general expression I use to describe those is best practice initiatives.

Senator BOLKUS—Are they part of these voluntary initiatives in the building sector?

Ms Andrews—Yes.

Senator BOLKUS—So at this stage what can I be told about that so-called one-off grants program? I can't be told much, can I?

Ms Andrews—We will find for you the recipients of those grants and the amounts of those grants.

Senator BOLKUS—They are not being run this forthcoming financial year?

Ms Andrews—No, they are not.

Senator BOLKUS—For how many years has that program run?

Ms Andrews—Two years.

Senator BOLKUS—Who made the decisions in respect to who was funded under this program?

Ms Andrews—They were recommended to the ministerial council.

Senator BOLKUS—So for the last financial year, would they have gone to the ministerial council as one package of recommendations?

Ms Andrews—Yes.

Senator BOLKUS—How were applicants sought?

Ms Andrews—We called expressions of interest, as I recall, in a tender process.

Senator BOLKUS—Was that selective tender?

Ms Andrews—No, it was a general call.

Senator BOLKUS—Advertised?

Ms Andrews—Yes.

Senator BOLKUS—When did you do that?

Ms Andrews—That is some of the detail that we will have to find for you, because it was some time ago.

Senator BOLKUS—Did one submission or a series of submissions go to the ministerial council?

Ms Andrews—I believe it was two submissions in total.

Senator BOLKUS—In response to the advertising, can you give us some idea as to how many applications were received?

Ms Andrews—We think it was about 15 to 20 in the first round.

Senator BOLKUS—And there were two rounds?

Ms Andrews—Yes.

Senator BOLKUS—How many in the second round?

Ms Andrews—Probably fewer than that, but perhaps 10 to 12.

Senator BOLKUS—So they were the ones received?

Ms Andrews—Yes.

Senator BOLKUS—And how many were awarded?

Ms Andrews—Again, we will have to check that for you. It would be in the neighbourhood of about half a dozen grants all up.

Senator BOLKUS—How many were awarded, who were they and what was the actual value of each grant?

Ms Andrews—We will check that for you.

Senator BOLKUS—Did you make recommendations or did you just compile the list of applicants?

Ms Andrews—In that case I believe we made recommendations to fund particular grants.

Senator BOLKUS—Can you tell us how many applicants were recommended, how many of those recommended were approved and how many of those recommended were not approved?

Ms Andrews—Yes, we will find that for you. I cannot tell you at the moment.

Senator BOLKUS—Which of those that have not been recommended were successful and which of those that were recommended were not successful?

Ms Andrews—Yes.

Senator BOLKUS—What is the geographic sequestration program worth?

Ms Andrews—Sorry, I need to correct myself: geological sequestration, not geographic sequestration. We have committed a total of \$200,000 over two years for that.

Senator BOLKUS—Which two years?

Ms Andrews—It finishes up this financial year, so this financial year and the preceding one.

Senator BOLKUS—So there will be no ongoing funding?

Ms Andrews—No, not at this point.

Senator BOLKUS—Do you know how many organisations or individuals were funded under that program?

Ms Andrews—There was a single organisation, which was a consortium of industry, and it was headed by CRC for the petroleum industry.

Senator BOLKUS—Did that organisation have to apply for funding? Did it respond to a tender or was it—

Ms Andrews—No, it was a specific negotiated agreement with them because they were the only ones working in this field, and we thought that their activity was worth supporting.

Senator BOLKUS—So was that one of your ideas, or was it another portfolio's?

Ms Andrews—The CRC came to us with that.

Senator BOLKUS—Were they referred to you by anyone in government?

Ms Andrews—No, I do not believe they were.

Senator BOLKUS—We will go back to voluntary initiatives in the building sector when we come back. You have been subject to a pricing review?

Ms Andrews—Yes.

Senator BOLKUS—I will go back to all those grants programs later on individually, but in the pricing review \$1.3 million in savings were identified. Where would those savings be?

Ms Andrews—There was a direct saving to the budget of \$0.7 million in 2001-02 and \$0.6 million in 2002-03. We expect to get those through efficiencies within the office. For example, we are looking at our travel procedures, conference attendance and business processes.

Senator BOLKUS—Could we get a copy of the review?

Ms Andrews—Yes, I think that is public information. I think it is subject to ministerial release. It was agreed between the Minister for Finance and Administration and the Minister for the Environment and Heritage, so it is their decision to release.

Senator BOLKUS—Did the review identify more than \$1.3 million savings or did it identify less?

Ms Andrews—That was the agreed outcome between the two portfolios and the two ministers.

Senator BOLKUS—Let us move to staff levels. How many full-time equivalent staff are employed by the Greenhouse Office?

Ms Andrews—169.

Senator BOLKUS—What was it last year?

Ms Andrews—169.

Senator BOLKUS—What will it be next year?

Ms Andrews—I am sorry, I cannot answer that because I do not know the date of this hearing next year, but I doubt that it will fluctuate very much.

Senator BOLKUS—Can you give us a list of how many individual contractors or consultants have been employed this financial year for short- or long-term contracts?

Ms Andrews—We can, from our consultancy database, but it would need to be generated from that.

Senator BOLKUS—How many do you reckon there would be?

Ms Andrews—There would actually be quite a large number because we do a fair amount of outsourcing. I think you would find that a good proportion of the contracts that are on our consultancy database are related to the development of the national carbon accounting system, which is a major data collection and scientific research exercise. We have only a team of about half a dozen coordinating that generally, but up to 200 scientists and technicians working on it across the country.

Senator BOLKUS—Can you tell us how many contractors or consultants are employed full time by the Greenhouse Office?

Ms Andrews—I do not think we have any. There may be some that are on longer contracts than others, but I do not think we have any full-time consultants employed.

Senator BOLKUS—When you say long contracts, do you mean a whole 12 months or—

Ms Andrews—No, I do not think we have ever employed a consultant for 12 months, or in excess of 12 months.

Senator BOLKUS—Do you provide them with desks or computers or anything?

Ms Andrews—Occasionally we do. It depends on the particular engagement and the particular task.

Senator BOLKUS—So how many would you have at the moment?

Ms Andrews—Three or four, we believe.

Senator BOLKUS—One of the performance criteria listed on page 139 of the PBS is cost effectiveness of CO₂ emission abatement. The question is, what is the cost effectiveness of AGO programs? Have you actually made an assessment of individual emissions reductions for each program?

Ms Andrews—This particular performance indicator relates to sub-output 1, ‘leading the agenda’, and was specifically developed to reference the Greenhouse Gas Abatement Program. We do have the information about cost effectiveness of round one in that program, certainly.

Senator BOLKUS—Of the abatement program?

Ms Andrews—Yes.

Senator BOLKUS—But what about other programs?

Ms Andrews—Yes, we have looked at that as well.

Senator BOLKUS—Would you like to take that on notice?

Ms Andrews—Yes, I will take that on notice.

Senator BOLKUS—Can you give me a breakdown, by program, of emission reduction estimates per program?

Ms Andrews—Sorry, which program do you want it for?

Senator BOLKUS—I want it for each of your programs—a breakdown by individual program.

Ms Andrews—I will take that on notice.

Senator BOLKUS—Is there a problem?

Ms Andrews—Only that some of them may not relate as directly to abatement outcomes as the Greenhouse Gas Abatement Program does, for example, and some of them we may not have fully projected abatement outcomes from. But I would have to put that together for you.

Senator BOLKUS—You can explain that when you provide the answers.

Ms Andrews—Yes.

Senator BOLKUS—Let us move to your overall funding. Last year it was budgeted to be \$230 million. This has now been revised to an estimated actual \$87.7 million. I am sure there is some rational reason for this, and people are trying to help, but can you explain first of all how much of the \$230.3 million for 2000-01 was not spent?

Ms Andrews—Most of the answer to that relates to rephasing expenditure.

Senator BOLKUS—The question is ‘Why wasn’t it spent?’ not ‘Where has it gone?’

Ms Andrews—I can do it by output, if you do not mind. For example, ‘leading the agenda’ last year in the additional estimates for 2000-01 was at \$103.2 million, and the PBS shows it at \$15.8 million, a difference of \$87½ million. The vast majority of that is related to the fact that the Greenhouse Gas Abatement Program was rephased into future years, basically because we have only completed the first selection round of that program very recently and are now negotiating deeds of agreement for the projects. So the \$100 million that was appropriated for that in this financial year will not be spent in this financial year.

Senator BOLKUS—You knew a good year or so in advance that you would have that program. Why were you so tardy in getting it running?

Ms Andrews—I do not believe we did know a year in advance. As you may recall, that was part of the measures for a better environment. So we only knew seven months in advance, I believe, that the program was to be established and the money was to be available on 1 July.

Senator BOLKUS—How many months in advance did you know?

Ms Andrews—We knew in May 1999.

Senator BOLKUS—So, out of a original budget promise of \$100 million, you say you spent \$15.8 million on the Greenhouse Gas Abatement Program?

Ms Andrews—No. I am saying that we have spent very little on the Greenhouse Gas Abatement Program but, through the selection round 1, we have committed \$103 million to projects. It is just not being spent in this financial year. So the \$15.8 million that I referenced that is now in the PBS includes some administrative expenditure on the Greenhouse Gas Abatement Program, but it also includes expenditure on other items within that output class.

Senator BOLKUS—From my memory the leading the agenda measures amounted to \$208 million for 2000-2001. The blue book claims \$45 million has been delivered. The Greenhouse Gas Abatement Program is a \$100 million or so commitment. The blue book says \$6.8 million has been delivered. How do we get from that \$6.8 million to the \$15.8 million you said had been spent under the Greenhouse Gas Abatement Program?

Ms Andrews—I am sorry, your reference to the blue book was which line?

Senator BOLKUS—Pages 63 to 64.

Ms Andrews—The \$6.8 million is what was expended out of the Greenhouse Gas Abatement Program in this financial year. That is \$6.8 million of the \$15.8 million for that particular output, which also includes things like, for example, part of our communications program, emissions trading, some of our—

Senator BOLKUS—Just going back again, there was \$6.8 million delivered in the Greenhouse Gas Abatement Program. I do not know what you are saying but, in the budget papers a year ago, the promise was \$100 million.

Ms Andrews—That was the amount that was to be appropriated in this financial year and the majority of that has been rephased into future financial years.

Senator BOLKUS—So \$93.2 million was not spent.

Ms Andrews—That is true, but it was—

Senator BOLKUS—What is the \$15.8 million you keep on referring to?

Ms Andrews—That is the amount that the PBS reports was expended against this output as a whole. It is not the Greenhouse Gas Abatement Program alone.

Senator BOLKUS—Against the whole leading the agenda output?

Ms Andrews—Yes.

Senator BOLKUS—And you say that, of that \$15.8 million, \$6.8 million was spent on greenhouse gas abatement. How much of the \$9 million went to the communications program?

Ms Andrews—The corporate communications budget was about \$1.8 million.

Senator BOLKUS—So we still have \$7 million around the place somewhere.

Ms Andrews—Emissions trading expenditure was \$1.465 million; the National Greenhouse Strategy expenditure, \$3.4 million. There was an expenditure of \$680,000 on funding for our strategic policy capacity.

Senator BOLKUS—What does that mean?

Ms Andrews—It is largely our policy and planning team.

Senator BOLKUS—So \$1.8 million went to the media and communications aspect of your—

Ms Andrews—The \$1.8 million is specifically for the corporate communications team, which runs our Internet-intranet capacity and deals with corporate publications and corporate media relations, et cetera.

Senator BOLKUS—When you say ‘corporate media relations’, are you talking about your own organisation or are you talking broader than that?

Ms Andrews—I am talking about the AGO in particular. I should note that there was \$4 million of expenditure for the national advertising campaign that was also recorded against that output.

Senator BOLKUS—Is that the Burke one or is that another one? Where did that come from?

Ms Andrews—That came from MBE funding. As I said earlier, it was part of the government’s decision on how the programs would be implemented and the funding spent.

Senator BOLKUS—Let us get on to this communications stuff. How many full-time equivalent staff in the Greenhouse Office work on media and communications?

Ms Andrews—Eight and a half full-time equivalents.

Senator BOLKUS—What about people on contract or consultants?

Ms Andrews—I am not sure whether that figure includes some contractors that we have had on for short periods.

Senator BOLKUS—Is there a specific group or a unit?

Ms Andrews—Yes, there is.

Senator BOLKUS—Does it have a name?

Ms Andrews—The communications team.

Senator BOLKUS—Can we find out whether those 8.5 does include consultants and those on contract?

Ms Andrews—We can.

Senator BOLKUS—So what is the budget for the communications team?

Ms Andrews—It was \$1.8 million in this financial year.

Senator BOLKUS—That is for the staffing?

Ms Andrews—That is for the staff, the web sites, some of our corporate publications and some other activities.

Senator BOLKUS—Plus the advertising campaign.

Ms Andrews—There is \$4 million recorded in that output for that.

Senator BOLKUS—At the last series of estimates, we asked you questions about promotional material and goods that have been produced by the Greenhouse Office. You have given us a list but you have not given us the cost of these items. I would like you to do that.

Ms Andrews—We would have to take that on notice.

Senator BOLKUS—Could you update the list and come back with the actual cost of all the items. Has this \$1.8 million been a constant over the last few years or has it decreased recently?

Ms Andrews—It has been relatively constant. It is going to be a little less for next year as a result of the output pricing review.

Senator BOLKUS—Do you also rely on Environment Australia's media capacity to do work for you?

Ms Andrews—Not really. The organisations may collaborate on specific initiatives that could, for example, be related to sponsorship of an event or a conference.

Senator BOLKUS—Do you have a strategy for communications to rural or regional Australia?

Ms Andrews—Yes, we do.

Senator BOLKUS—Could we get a copy of that if it is a written document?

Ms Andrews—I can give you some information on that, yes.

Senator BOLKUS—Does it cover the issue of the impact of climate change on rural and regional Australia? For instance, the recent CSIRO report had some pretty important messages to tell different parts of country Australia.

Ms Andrews—Yes, we are beginning to incorporate some of that information into communications to rural and regional Australia. For example, we are soon to do a seminar in a regional centre on impacts.

Senator BOLKUS—Where will that be?

Ms Andrews—We have done seminars so far in Sydney, Melbourne, Perth and Adelaide, and we are going to be doing one in Griffith, New South Wales.

Senator BOLKUS—Are there plans for any more than that?

Ms Andrews—Not at this point. They are a bit constrained by resources but we will have a look at the success of them and see where we might take them from there.

Senator BOLKUS—Do you have any plans for a rural media campaign?

Ms Andrews—No. As I mentioned, the rural and regional media was picked up in the national advertising campaign that was completed recently. We also have some initiatives, such as story banks on our web site, which rural and regional press can access and do access. We make specific effort to tailor some of our programs or events to rural and regional press, as well, so that those communities are made aware of what is happening.

Senator BOLKUS—You mentioned that you may have consultants and contractors. Can you tell us who they are, probably on notice?

Ms Andrews—Sorry, all of our consultants and contractors? We are going to give you the information from the database?

Senator BOLKUS—Yes. As well as the information I have asked for so far, I would like details of who they are, the cost and when. Do you have a media monitoring capacity as well?

Ms Andrews—Yes, we do.

Senator BOLKUS—That is in-house?

Ms Andrews—No, we contract it out.

Senator BOLKUS—Who to?

Ms Andrews—Media Monitors.

Senator BOLKUS—So you have no further advertising plan for this forthcoming financial year?

Ms Andrews—We do not have plans for a major ad campaign at this point.

Senator BOLKUS—You were talking about doing a seminar in Griffith. Have you identified other vulnerable areas in rural Australia with a view to maybe running seminars or alerting people to the impacts of climate change?

Mr Carruthers—Particularly driven by the release of the Intergovernmental Panel on Climate Change third assessment report, with its focus on climate change impacts and adaptation, into which Australia made a substantial scientific input, there is now an increased focus on the question of climate change impacts and adaptation around the world, particularly in Australia. That is provided for in the framework of the National Greenhouse Strategy, which the Prime Minister, premiers and chief ministers signed in late 1998. Indeed, the COAG high level group on greenhouse is focusing actively on a strategic approach to addressing climate change impacts and adaptation in the light of these developments. I see this as an area that will progress quite substantially in the time ahead.

Senator BOLKUS—So the answer at the moment is no?

Mr Carruthers—You will see that there is already activity under way, from what Ms Andrews already described, and I am suggesting that you are likely to see that activity expanding.

Proceedings suspended from 5.51 p.m. to 7.04 p.m.

CHAIR—I propose to resume this hearing with the Australian Greenhouse Office.

Senator BOLKUS—There was a question about the voluntary initiatives in the building sector program.

Ms Andrews—Yes, I have that information for you. There were two rounds of grants of voluntary programs to the building sector. One was in March 1999, the second was in May 2000. There were nine grants in total, and I will tell you what they were. The first was to the Australasian Window Council, a grant of \$250,000 to develop a window energy rating scheme. That project is now finished. To the Australian Building Energy Council there was a grant of \$90,000 to develop a voluntary code of practice for the building industry. That project is also completed. A grant of \$21,000 was made to the Australian Council of Building Design Professions for a special greenhouse edition of the *Environmental Design Guide*, which is completed and published. There was a grant of \$150,000 to the Housing Industry Association for partnerships advancing the housing environment. That was the first round of grants.

The second round of grants was as follows. To the Building Designer Association of Australia there was \$67,000 for a series of building designers best practice workshops. To the Australian Council of Building Design Professions, \$64,200 was granted for strategies to minimise greenhouse gas emissions from the construction industry. Both of those projects are now finished. To the Housing Industry Association, \$100,000 was granted for an energy build training and accreditation program, which has also been completed. To the Master Builders Association building environmental dividends program, which was about greenhouse design

for light commercial buildings, there was a grant of \$125,000. That project is still active. Finally, to the Australian Building Energy Council, there was a grant of \$140,000 for environmentally designed and energy efficient building case studies on a web site. That project is also still active.

Senator BOLKUS—And they were all recommended by the department?

Ms Andrews—Yes, they were.

Senator BOLKUS—Were there any recommended that did not get through to funding?

Ms Andrews—No, I do not believe there were. I think they were all accepted.

Senator BOLKUS—You mentioned the renewable energy showcase program.

Ms Andrews—Yes.

Senator BOLKUS—Is that an ongoing program for the forthcoming financial year?

Ms Andrews—No, it is not. It was announced in December 1998 that it was a \$10 million program for specifically large-scale demonstration showcase projects. All of the money was committed at that point. I do have further information on our grants in terms of the totality of the grants that we have given out. I can table the lists of grants from the last two financial years, which are in the annual reports for those years. If you wish, I can update you on the grants that have been announced for this financial year as well from all of our programs.

Senator BOLKUS—Do you want to do that verbally now?

Ms Andrews—I can, if you like.

Senator BOLKUS—Do you have a piece of paper that details those grants?

Ms Andrews—It is not in any shape for me to table, but I can pull the information from several pieces of paper, if you would like me to read it out.

Senator BOLKUS—Is that in respect of all of the grants programs we mentioned earlier?

Ms Andrews—Yes. It is simply updating for this financial year the lists that are in the last two annual reports.

Senator BOLKUS—Why don't you provide the comprehensive list on notice? I have some questions about ongoing programs that do not go to that; for instance, the CNG infrastructure program. Is that an ongoing program?

Ms Andrews—That is a program for which we have now committed all of the funds to 16 sites for CNG refuelling depots.

Senator BOLKUS—Has there been any money allocated or disbursed since 1 January this year in that program?

Ms Andrews—I'm sorry?

Senator BOLKUS—Have any grants been allocated since 1 January?

Ms Andrews—The selections were made and announced, I believe, since January. But the funding has not been spent yet.

Senator BOLKUS—Okay.

Ms Andrews—I must correct myself: there were 16 sites plus three that were previously announced, so there were a total of 19.

Senator BOLKUS—What I would like to know is: how much money was left in the CNG program and the voluntary initiatives in the building sector program as of 1 January this year—announcements since 1 January and disbursements made from the program from 1 January to the present?

Ms Andrews—I can tell you that the—

Senator BOLKUS—Take it on notice if you like.

Ms Andrews—I will do that.

Senator BOLKUS—Under the CNG program, is there a budget for next financial year?

Ms Andrews—The funding under that program has now been fully committed to those 19 refuelling sites.

Senator BOLKUS—And there is no money for the next financial year?

Ms Andrews—No. Sorry, it has not been expended, so it may show in financial years because of the expenditure patterns. But it has been fully committed.

Senator BOLKUS—Fully announced and committed?

Ms Andrews—Yes.

Senator BOLKUS—How much has been allocated to the Renewable Remote Power Generation Program for this current financial year and for the next financial year?

Ms Andrews—As you are probably aware, this is administered funds. The amount of funding available in any financial year is contingent on the amount of diesel excise that has been paid by states and territories that are involved. I can tell you that as of 23 May this year there have been four programs agreed between state and territory governments and the Commonwealth. Those four programs are committing almost \$62 million. There is one in South Australia that totals \$7.6 million; one in Queensland, the working property rebate scheme, at \$8 million; the Northern Territory renewable energy rebate program, at \$38.2 million; and the indigenous community support program, at \$8 million.

Senator BOLKUS—Are they all allocations or disbursements since 1 January this year?

Ms Andrews—They are announcements of commitments of funding to those programs, and those announcements were made after 1 January this year.

Senator BOLKUS—So they are since 1 January?

Ms Andrews—Yes.

Senator BOLKUS—Were there any others made since 1 January?

Ms Andrews—No, that is the total of the announcements.

Senator BOLKUS—Next financial year you anticipate there will be a similar program, or a continuation of this program?

Ms Andrews—Yes, we do have at this point what is a tentative forecast of expenditure by state under this program. But it really is qualified by the amount of diesel excise that comes in from the state or territory.

Senator BOLKUS—Can we get that?

Ms Andrews—Yes.

Senator BOLKUS—Can you provide it to us tonight?

Ms Andrews—Yes.

Senator BOLKUS—What is the application and assessment process for the next financial year under this program?

Ms Andrews—I will have to ask Mr Harrington, who is head of that group, to come to the table and answer that question.

Mr Harrington—The application procedure is that for each jurisdiction eligible under the program they submit a strategic plan for the intended disbursement of the funds and then seek approval for either large-scale projects or programs that would support a large number of small projects.

Senator BOLKUS—Are you talking about state jurisdictions when you say that?

Mr Harrington—That is correct. That is the announcement that Ms Andrews has just described. There will be more of those to come, depending on decisions essentially made by each state and territory and put forward to the ministerial council on greenhouse for a decision.

Senator BOLKUS—But is there a timetable for applications to be sought, or is that left to each jurisdiction?

Mr Harrington—No. The timing is determined entirely by the state based on their understanding of the expected entitlements under the program, which are based on diesel excise collections in that state.

Senator BOLKUS—The states then make recommendations to the Commonwealth?

Mr Harrington—Correct, and to the ministerial council on greenhouse.

Senator BOLKUS—Is there a particular meeting at which you would expect these decisions to be made—decisions on such applications?

Mr Harrington—No, they are processed as they are received.

Senator BOLKUS—How many ministerial council meetings do you have per year?

Ms Andrews—I would think that we had between six and eight in the last year. They are done on a needs basis.

Senator BOLKUS—Can you just read through those state allocations, please?

Ms Andrews—The current ones, the four programs that have been approved, are: \$7.6 million for South Australia—

Senator BOLKUS—No, for the next financial year—the anticipated expenditure.

Mr Harrington—The expenditure forecast would be approximately \$20.9 million for Western Australia, \$11 million for the Northern Territory, \$7.7 million for Queensland, \$2.2 million for South Australia, \$1.5 million for Tasmania and \$0.25 million for New South Wales.

Senator BOLKUS—Victoria?

Mr Harrington—Victoria does not pay diesel excise on off-grid power generation, therefore it has no entitlement.

Senator BOLKUS—These allocations are based on some formula, are they?

Mr Harrington—They are based on projections of expected revenue receipts from diesel excise paid on power generation.

Senator BOLKUS—The program was budgeted with some \$66 million for four years initially, yet the estimated actual for 2000-01 is only \$5.8 million. Why couldn't you spend more?

Mr Harrington—The first of the state applications for funding under the program was only received in December 2000, and the four that have been described to you were received subsequent to that, with the other three. So the approvals for those four have only been issued in recent months.

Senator BOLKUS—So there is no such program in Victoria; is that what you are telling us?

Mr Harrington—Correct.

Senator BOLKUS—All the states received some funding in the last financial year? All but Victoria?

Mr Harrington—Yes, all bar Victoria, and the ACT have an entitlement.

Senator BOLKUS—How did you come at that \$66 million level for 2000-01? How was that worked out?

Mr Harrington—By the same process. It was a historical observation of diesel excise actually paid on power generation in the latest year for which we had data, which was around 1998-99.

Senator BOLKUS—Chair, that was the program you were asked about, I think.

CHAIR—Yes.

Senator BOLKUS—In relation to the Photovoltaic Rebate Program, can you tell us how much money was left in this current year's program as at 1 January this year?

Ms Andrews—I am not sure that I have the figure for 1 January, but the current figure of money remaining in the program is \$9.6 million.

Senator BOLKUS—Can you come back to us with the 1 January figure?

Ms Andrews—Yes.

Senator BOLKUS—It was \$9.6 million for this financial year?

Ms Andrews—No. Sorry, that is what remains in the program as a whole.

Senator BOLKUS—As a whole?

Ms Andrews—\$21.4 million has been expended or committed.

Senator BOLKUS—So all up it was \$31 million, wasn't it?

Ms Andrews—Yes.

Senator BOLKUS—So \$9.6 million is to be spent. How do you anticipate disbursing that money? What sort of process would you put in place?

Mr Harrington—The process has been put in place whereby, under a partnership agreement with each state and territory, a nominated agency in each state or territory administers the program on behalf of the Commonwealth. It is essentially based on a

standardised application form and an entitlement, provided that certain conditions on that application form are met.

Senator BOLKUS—The program was allocated \$4 million this year. It is expected to spend \$18 million. A decision must have been made to bring the funding forward. Who made that decision and when?

Mr Harrington—That decision was put to additional estimates and approved in that process.

Senator BOLKUS—So the eligibility criteria have not changed from the inception of the program?

Mr Harrington—Yes, they have.

Senator BOLKUS—How?

Mr Harrington—The eligibility for the systems or the rebate level for systems which are stand alone—that is to say, not grid connected—has been reduced. It has approximately halved.

Senator BOLKUS—So how many were grid integrated and how many were stand alone?

Mr Harrington—We do have that information. I will have to take that one on notice.

Senator BOLKUS—How many were grid integrated and how many were stand alone? Can you give us the figures as to how many of the stand-alone systems would be eligible for funds under agreements with the states?

Mr Harrington—There would be no precise figures for that, but it would depend entirely on the nature of the programs the state put forward. That is at their discretion. In some cases there would be potential for overlap, such as the Queensland working property schemes, which provide funds for off-grid, large-scale, PV based systems. In that situation I understand that the Queensland government is packaging assistance using both Commonwealth and Queensland funds.

Senator BOLKUS—So that is \$18 million so far out of \$31 million. Do you anticipate that the next year's funding allocation is sufficient, or do you have sufficient funds available to meet the demand?

Ms Andrews—The program is essentially limited in terms of the amount of commitment that has been made. Because it is treated as an entitlement program, the expenditure profile is really dependent upon the applications that come in and when they come in. Essentially, when the money is exhausted from the program at this point there are no plans for further rebates to be offered.

Senator BOLKUS—So that initial assessment is made by the states, is it, as to who is proffered for funding?

Ms Andrews—Not in the PVRP. There are two programs we are talking about. The Renewable Remote Power Generation Program does require an agreement between the Commonwealth and the states on the nature of the state based program. In relation to PVRP, we have already set the parameters for that program and it is simply administered on our behalf by the states. So the entitlements are common across the country.

Senator BOLKUS—They make the decision as to who gets funded and who does not?

Ms Andrews—It is on a first come, first served basis.

Senator BOLKUS—Okay. What sort of demand are you expecting for the next financial year?

Mr Harrington—The projections are based on an expectation of a slower rate of uptake, more consistent with the rate of demand we have seen post the reduction in the rebate for off-grid systems.

Senator BOLKUS—Has there been any reduction in costs of PVRP since the introduction of the rebate?

Mr Harrington—That is not a question I could answer off the top of my head. I would have to take that on notice to research that.

Senator BOLKUS—I presume that is one of the purposes of the rebate, isn't it—to provide economies of scale and bring down overall costs?

Ms Andrews—Yes.

Mr Harrington—Over time I would expect that.

Senator BOLKUS—Over what time?

Mr Harrington—At least a time for technologies to evolve and new production capacity to be put in place—that is to say, not a short amount of time.

Senator BOLKUS—It cannot be, because haven't the actual costs gone up in the last 18 months or so, or in the last couple of years?

Ms Andrews—Of PV systems? Not to our knowledge, but we would have to take that on notice in terms of the actual cost of installation of PV systems.

Senator BOLKUS—I would have thought that, to actually get those economies of scale factored in and the certainty that is needed to develop those economies of scale, you would have needed to have some sort of certainty in terms of the longevity of the scheme, but it seems like we do not.

Ms Andrews—We had certainty in terms of the amount of money that was committed to the scheme, and that has not changed. So there was certainty in terms of the market that might be created by this scheme and the market impetus that might be given by that amount of money.

Senator BOLKUS—When you say there was certainty as to the level of the market that might be created by the scheme, what sort of certainty are you referring to? What study; what analysis?

Mr Harrington—I think the point has been made by the amount of funding that would be available and the formula under which it would be accessed.

Senator BOLKUS—Have you been driven by any analysis as to what scale of funding over what period of time the industry might need in order to have the adequate foundation for economy of scale in the longer to medium term?

Mr Harrington—No, we have not done that sort of analysis directly. There has been during this period an action agenda on the renewable energy sector which attempted similar sorts of analysis. Indeed, an ongoing 'technology road map' is under preparation for the renewable energy sector, but that has not been applied to the design of this particular program. That has happened since.

Senator BOLKUS—Have you had any discussions at all with manufacturers as to what their view is or what they might need?

Mr Harrington—There would be ongoing contact between the staff managing this program, the states and territories delivering the program and the industry.

Senator BOLKUS—But you have a program that will probably run out over the course of two years. The rebate runs out in that period. What makes anyone think that, given that prices have actually gone up during this time period, the purpose of the scheme to bring down prices will ever be achieved?

Mr Harrington—We do not have any information on price movements. That is something we have committed to obtain for you.

Ms Andrews—We will also be doing an evaluation of the program at its completion. In fact, some of the information that I think you are looking for may be available as a result of the program.

Senator BOLKUS—That might very well be the case, but it may not be available, and I am just a bit concerned that you are spending \$31 million without any real analysis as to what is necessary to put in place an industry with sound foundations that will deliver price reductions. All you have done so far is deliver price increases.

Ms Andrews—I am sorry. We do not have the information to indicate the price movements that you are referencing.

Senator BOLKUS—Well, you have no information, which is also a bit of a concern. If you are monitoring the scheme to see what it is actually doing, you might have some idea of what is happening to prices. Are you not concerned that you do not have that?

Mr Harrington—We are collecting those statistics. We simply do not have them with us. We have offered to provide them for you.

Senator BOLKUS—Yes, but you have already spent \$20 million. It is a bit late to—

Mr Harrington—The statistics on the application and effectiveness of the program are being collected as grants are made. A real-time database was established, and all states and territories are contributing.

Senator BOLKUS—What made you think the rebate scheme would work?

Ms Andrews—I think there is evidence that the rebate scheme has in fact worked, because it has been exceedingly popular.

Senator BOLKUS—Sure, but—

Ms Andrews—I do not think we have the actual statistics on the number of installations with us tonight, but we can certainly find the statistics on the number of installations that have occurred as a result of the scheme.

Senator BOLKUS—I suppose that leads to this question: if that is your indicator—that it works because it is popular—why have a scheme that runs out in two years? If, however, you have not reduced costs—if you have not developed any economies of scale that are necessary for the long term—what have you actually achieved?

Ms Andrews—I think we need to await the evaluation of the program expenditure that has been committed to get the answers for that.

Senator BOLKUS—I suppose I am disagreeing with you. I am saying to you: you have spent the money already. How does an evaluation after the event help you to set in place a long-term, viable proposition for the industry?

Ms Andrews—I think it will probably provide us with some pretty useful information in terms of numbers of installations, price sensitivities, who was installing and what sorts of industry development occurred. Those would be the things we would look at in terms of an evaluation.

Senator BOLKUS—The scheme has been going for 12 or 15 months now?

Ms Andrews—Yes.

Senator BOLKUS—And you guys have no idea what it has done to prices?

Ms Andrews—I do not think we have tonight, but we will take that on notice, as we said, and we will get back to you.

Senator BOLKUS—It is one of the important parts of your administration. I would have hoped that you were monitoring this scheme to see that it was actually delivering results. It is only, after all, \$31 million. I don't know why people are smirking.

Mr Harrington—The statistics on the performance of this program are collected, as I mentioned, in real time, literally every day. As the grants are moved by the state agencies who administer them the database, which is very comprehensive, is updated. We do have statistics, therefore, that encompass every single one of the nearly 3,000 approvals that have already been made under this program. It is just that that information package is rather large to carry around with us, so we have offered to provide it on notice.

Senator BOLKUS—The 'leading the agenda' measure, Measures for a Better Environment, was a four-year funding program supposed to have delivered \$208 million in 2000-01. What was actually delivered?

Ms Andrews—Can you reference where you are sourcing the \$208 million from?

Senator BOLKUS—Go to pages 11 to 13 of the blue book, to the original promise, Measures for a Better Environment: Greenhouse Gas Abatement Program, 100; Renewable Remote Power Generation Program, 66; photovoltaic, 14; CNG and LPG vehicle conversion, 15; and the NEPM, 10. All that was promised to the Democrats was \$208 million for the financial year 2000-01, but you spent \$45.4 million.

Ms Andrews—If I may go over those figures, Measures for a Better Environment appropriations for 2000-01: alternative fuels, \$15 million; Photovoltaic Rebate Program, \$4 million; renewable energy commercialisation, \$4 million; Renewable Remote Power Generation Program, \$66 million; and Greenhouse Gas Abatement Program, \$100,000.

Senator BOLKUS—\$100 million.

Ms Andrews—I think that totals \$189 million.

Senator BOLKUS—Did you include the NEPM?

Ms Andrews—No, sorry. That is not one of the Australian Greenhouse Office programs. That belongs to Environment Australia.

Senator BOLKUS—That was part of the package with the Democrats. We will leave it out. That is \$198 million, then?

Ms Andrews—Yes.

Senator BOLKUS—It is \$198 million if you take the \$10 million off there. What about the Diesel and Alternative Fuel Grants Scheme? That was \$9 million, was it? CNG and LPG vehicle conversion—

Ms Andrews—That is administered by the Australian Taxation Office.

Senator BOLKUS—Which one?

Ms Andrews—The Diesel and Alternative Fuel Grants Scheme.

Senator BOLKUS—Okay. So that is \$198 million. And what was finally spent was \$45.4 million.

Ms Andrews—I think the majority of that can be accounted for by two factors that we have already referenced. Although \$103 million has been committed from the first round of GGAP, it will not be expended in this financial year. The other is the Renewable Remote Power Generation Program wherein again, because of the requirement to reach agreements between the Commonwealth and states and territories, much of that expenditure will occur in the next financial year.

Senator BOLKUS—Okay. So if we take the NEPM out and the Diesel and Alternative Fuel Grants Scheme—

Senator Hill—The largest part of the NEPM is the testing and monitoring, which of course will not begin until the NEPM is agreed. Hopefully an NEPM will be agreed on 29 June this year. A large part of that we would not expect to expend.

Senator BOLKUS—You have allocated \$10 million for this current financial year for it.

Senator Hill—How much?

Senator BOLKUS—\$10 million. Do you know what was spent?

Senator Hill—A fair hunk of that has probably been spent.

Senator BOLKUS—We don't know.

Senator Hill—We have only spent a couple of hundred thousand on the consultancies on the NEPM because, as I just said, the substantive part of it was to be in testing and monitoring, which will not commence until the NEPM has been agreed.

Senator BOLKUS—It is a good deal, minister. You promise \$10 million and you spend \$200,000.

Senator Hill—The good thing is that the programs are rolled over and if, as in the case of the excise one that had to be negotiated with the states, we could not get it implemented in the first year, the benefit would flow in the second year. It is similar with the GGAP project. It has been very complicated in setting it up. There is a lot of money involved. We want to ensure that it does result in best value projects—

Senator BOLKUS—Well, Minister, you set aside \$40 million for it.

Senator Hill—What contracts were entered into in the first year?

Ms Andrews—We have not actually entered into contracts. We are currently negotiating.

Senator Hill—The decisions—

Ms Andrews—The decisions that were made in round one committed \$103 million, for which we are currently negotiating contracts.

Senator Hill—See, decisions have been made to commit \$100 million, but they do not qualify as expenditure at this stage because the contracts are currently being negotiated.

Senator BOLKUS—Sure, but—

Senator Hill—If you understand the sequence of these things, it does not seem extraordinary at all.

Senator BOLKUS—What I understand is that for this current financial year and the next one, you promise the Australian Democrats \$100 million in the abatement program in each of those years—200—and you are spending 103.8. Just going back to the NEPM—

Senator Hill—But what I said to you—you either deliberately ignored what I said or did not listen—was that decisions had been made that would expend over \$100 million of GGAP money, and those decisions were made in the year in question. Because it gets calculated as expenditure after the contracts have been entered into, it will not actually be recorded as an expenditure until the second year.

Senator BOLKUS—So when you entered into this arrangement with the Democrats, you knew full well you could not spend the \$100 million in the first year, but you promised you would do so. Is that the conclusion that I draw from that?

Senator Hill—It depends what you mean by ‘spend’. If it was understood ‘spend’ meant agreed to support bids up to \$100 million, that is exactly what we have done.

Senator BOLKUS—Minister, what has happened to the NEPM? There is \$40 million. Do you know how that is going to be rolled over?

Senator Hill—We are hopeful the states will support us in agreeing to an NEPM, a national environment protection measure, for diesel, which will be a global first I think—operational diesel engines and in-service diesel engines.

Senator BOLKUS—Yes, I am—

Senator Hill—We hope it will be agreed to, as I said, on 29 June—in a few weeks time. If it is agreed, we then move into the implementation stage, and \$40 million was the commitment on testing and implementation, basically on implementation.

Senator BOLKUS—That is right. Is the commitment still to \$40 million, though maybe over a five-year period? Is that the current state?

Mr Glyde—That is correct. If you look on page 63 of the EBS it shows that the money was not spent in 2000-01 is rolled over into 2004-05.

Senator BOLKUS—And the diesel alternative fuels grants was supposed to be \$39 million over three years. What has happened to that? How much was spent this year and how much will be spent in the next two or three years?

Ms Andrews—Senator, that program is administered by the Australian Taxation Office, so I think you would need to put the question to them in terms of the expenditure patterns.

Senator BOLKUS—Sure, but the NEPM program is administered by someone else, and I was given an answer on that.

Mr Glyde—The NEPM is administered by Environment Australia.

Senator BOLKUS—The NEPM is, is it? I think I was told something else. So that was administered by Environment Australia.

Senator Hill—We can get you the other one, even though it is administered by—

Senator BOLKUS—I do not really need it for this purpose. If we exclude Diesel and Alternative Fuel Grants Scheme, the promise was \$836 million to be spent over four years. We now look like we are going to be having \$761 million spent over five years. Minister, you have reduced funding by 10 per cent.

Senator Hill—I have not reduced funding at all.

Senator BOLKUS—Well, you have, haven't you?

Senator Hill—What we have not achieved is the anticipated expenditure level if you define 'expenditure' in terms of contracts having been entered into.

Senator BOLKUS—No, I will tell you what I refer to. Your promise in the PBS of 2000-01 was \$400 million for the Greenhouse Gas Abatement Program. That is restated in this year's blue book.

Senator Hill—That was over four years, yes.

Senator BOLKUS—Well, now it is over five.

Senator Hill—Well, that is because expenditure has not occurred.

Senator BOLKUS—I am not going to that point—

Senator Hill—Commitments have been made for \$100 million in the first year but expenditure as such was not achieved in the first year.

Senator BOLKUS—I am not going to that point now. With regard to the Renewable Remote Power Generation Program, your commitment was \$264 million over four years, but it has now been reduced to \$179.3 million over five years. That to me is a reduction of \$85 million.

Senator Hill—I do not recall a reduction in the—

Senator BOLKUS—Well, was the extra \$85 million spent?

Mr Harrington—The appropriation act says up to \$66 million. I seem to recall—and, indeed, with what we are talking about, administered funds where the actual level of funds—

Senator BOLKUS—Mr Harrington, the blue book, on pages 11 to 13, for 2000 to 2001, indicates a total of \$264 million on renewable remote power generation. This year's blue book indicates \$179.3 million for that program. If it is not a cut, where is the extra \$80 million or \$85 million going to be spent?

Mr Harrington—The extra money you are referring to is not appropriated unless that extra money is actually paid in diesel excise on power generation in the jurisdictions.

Senator BOLKUS—So a year ago we had a commitment to spend \$264 million.

Mr Harrington—Up to \$264 million based on excise receipts.

Senator BOLKUS—But now it is up to \$179 million.

Senator Hill—We did not know for certain whether the states were expending them. The estimate was that when they did further work they were not expending a sum as great as that. The commitment was to reimburse what they would be expending on excise.

Senator BOLKUS—Okay, so you have made a saving because, as you say, the states were not spending—

Senator Hill—They would not say we have made a saving because they would say it is their money.

Senator BOLKUS—How do they get it? Let us take it year by year. In the first year, in 2000-01, there was \$66 million and you spent \$5.8 million. You say, okay, there is a lead time—which is non-lead time. In 2001-02, there was \$66 million, but you are budgeting \$51.4 million. In 2002-03 another \$66 million is promised to the Democrats. You are now budgeting \$37.4 million. In 2003-04 you promise them \$66 million, they are getting \$37.2 million and then in the outyear, 2004-05, there is \$47.5 million, amounting to \$179 million as opposed to \$264 million. There has to be an \$85 million reduction, Minister.

Senator Hill—You did not listen to what I said.

Senator BOLKUS—When will you spend that extra \$85 million between what you committed—

Senator Hill—It does not exist.

Senator BOLKUS—Does that mean we take it off the package you promised the Democrats, if it does not exist?

Senator Hill—No. The Democrats understood all along it was a reimbursement and it was an estimate of what the states were paying in excise. When it came to the crunch we found they were not paying that much.

Senator BOLKUS—So when Meg Lees puts out a statement or when the Democrats put out a brochure saying they have delivered a \$1 billion program for renewable energy, do you think they are lying? Do you think they knew all along they were going to get \$85 million less? Either they were lying or you misled them.

Senator Hill—Sorry?

Senator BOLKUS—Either they were lying or you misled them.

Senator Hill—Neither.

Senator BOLKUS—What do these figures mean in last year's blue book?

Senator Hill—They were the estimate at that time of what the states were expending. Then we found that they were not.

Mr Harrington—I think the underlying driver is that the states are actually reducing the amount of diesel that they use for power generation and substituting gas, primarily, and also renewables. So each year as they do that the amount of diesel excise that they pay is less. Therefore, the amount that they are entitled to as a rebate of that excise is less.

Senator BOLKUS—Is the Diesel and Alternative Fuel Grants Scheme still—

Senator Hill—In actual fact, it is a success story.

Senator BOLKUS—Pretty successful for you. You saved \$85 million.

Senator Hill—You are not listening.

Senator BOLKUS—I am listening, Minister. I can see the documentation and I can see you are cutting back by a good 10 per cent. Is the Diesel and Alternative Fuel Grants Scheme still intended to start on 1 July next year?

Mr Harrington—That is the program that was referred to, Senator, as being administered by the ATO. It commenced in July 2000.

Senator BOLKUS—We did not go through the Greenhouse Gas Abatement Program, did we? How much money was left in this program as of 1 January this year?

Ms Andrews—There would have been some expenditure on administrative items, but it would have been reasonably minimal because decisions on the round one grants had not been made at that point. So there probably would have been less than \$5 million in expenditure from the program by that point. However, there is now a further \$103 million committed to projects out of the program.

Senator BOLKUS—How much?

Ms Andrews—Some \$103 million to the projects that were announced.

Senator BOLKUS—I thought you said it was more than that. When were decisions taken and by whom to allocate that \$103 million?

Ms Andrews—They were taken by the ministerial council. I believe decisions were taken in April.

Senator BOLKUS—Was there once again an advertised round for funding? Were applications sought?

Ms Andrews—Yes. Round 2 has been advertised now and applications have been sought for that as well.

Senator BOLKUS—Has the first round been announced yet?

Ms Andrews—Yes.

Senator BOLKUS—When was that?

Ms Andrews—There have been several ministerial announcements that incorporate 10 projects. There actually is another project that has been selected but not yet announced because the proponent wishes to finalise the contract before announcement.

Senator BOLKUS—There are 10 projects. Can you itemise those?

Ms Andrews—Yes. There was a grant to EDL Australia Pty Ltd of \$10.93 million for a waste coalmine gas project. There was a grant of \$11.41 million to EcoGeneration for a series of cogeneration projects. There was a grant for—sorry, let me correct the previous one. The grant to EcoGeneration was not \$11.4 million; it was \$10 million. There was a grant to the Douglas Shire Council of \$7.35 million.

Senator BOLKUS—Which shire council?

Ms Andrews—The Douglas Shire Council for an ethanol and forestry project. There were also grants of \$13 million to Envirogen for another waste coalmine gas project; \$7 million to Nabalco for a conversion from oil to gas project; \$5 million to Macquarie Generation for energy efficient turbines and power generation; \$3.56 million to AFCAM for HFC recovery from refrigerants; \$8.8 million to BP for a fuel ethanol project; \$11 million to Queensland Alumina for an energy efficient kilns project; and another cogeneration grant to Origin Energy for \$16 million.

Senator BOLKUS—Who made the assessment that BP Australia was in such need of money that you had to give it an \$8 million grant?

Ms Andrews—The assessment was made on all of the projects as a part of the program using the rules that applied to the program—the guidelines.

Senator BOLKUS—There are multibillion dollar profits and petrol prices going up but, Minister, you want to give BP another \$8.8 million just to give it a kick along to do what it says is the right thing to do anyway.

Senator Hill—This is to significantly contribute to the development of a commercial ethanol industry in Australia, which will be a good domestic industry with jobs and economic benefits and which will provide better outcomes in terms of greenhouse and, hopefully, air quality.

Senator BOLKUS—But BP runs around the world telling everyone how this is the way to go and it makes massive profits. Why can't it pay for it itself? Why does it need a grant from this government?

Senator Hill—If you know anything about the development of ethanol industries around the world, they have needed support. The fossil fuel industry has enormous embedded infrastructure and enormous cost advantages. Alternative fuels need support in the early stages. There are a number of projects around Australia at the moment that are designed to produce ethanol, but it is only going to work if they have a market. Getting BP in as a significant player prepared to purchase such fuel will be a major step in the right direction.

Senator BOLKUS—You have detailed about \$90 million of disbursements so far.

Ms Andrews—Yes. As I said, there is one project that has not yet been announced because of contract negotiations with the proponent.

Senator BOLKUS—You said there was a timetable for applications for round two. What has happened in respect of round two so far?

Ms Andrews—The advertisement was in the national newspapers at the beginning of May. Expressions of interest close on 8 June.

Senator BOLKUS—What is the amount of funding that is available?

Ms Andrews—There is a further application period for final applications until 1 July. After that we will do the assessment process.

Senator BOLKUS—What do you do in that process?

Ms Andrews—It is a fairly detailed process, Senator. I can provide you with a copy of the guidelines, which I think would be helpful to the committee. I will do that. Essentially, the basic concept is that we assess projects on the basis of dollars per tonne of CO₂ to be abated or CO₂ equivalent to be abated by the project. We also take into account other factors such as the guaranteed nature of the abatement—if you like, the higher low risk of the abatement—and also the amount of funding that is to be provided by the proponent in relation to the amount that is sought from the government.

Senator BOLKUS—In this last round that you listed to me, did the department make recommendations to the council?

Ms Andrews—There was a discussion between the office and the council on the short-listing of projects initially. The Greenhouse Office then went away and did the full assessment on the short-listed projects. We provided that assessment to the ministerial council and the ministerial council made the decisions.

Senator BOLKUS—I cannot work that out. There was a discussion when?

Ms Andrews—The short-listing was done in December, before Christmas.

Senator BOLKUS—That short-listing was done in consultation with the ministerial council?

Ms Andrews—Yes.

Senator BOLKUS—Was it the whole council or some operative on behalf of it?

Ms Andrews—No. In fact, I believe most of the ministers, if not all of them, were present. I think there was one missing at that ministerial council meeting.

Senator BOLKUS—Before that meeting, did the Greenhouse Office make an assessment of which of the programs qualified for funding or were meritorious enough to be supported?

Ms Andrews—We did. We provided an assessment of each of the projects. We provided advice on those that we felt were the strongest projects, discussed them with the council and came up with a short list.

Senator BOLKUS—At that stage, did you make recommendations to the council?

Ms Andrews—No.

Senator BOLKUS—Before the short-listing?

Ms Andrews—We provided assessments to the council.

Senator BOLKUS—And the council then told you which ones to go off and develop?

Ms Andrews—I am trying to remember exactly the terms in which we did provide assessments. I would have to go back to the process, but I think it probably would be fair to say that we had a recommended short list, or at least by inference it could have been determined very easily what was our recommended short list. In fact, the result of that discussion was that a number of other projects were added to the short list as well for a full assessment.

Senator BOLKUS—Were any taken off?

Ms Andrews—Not to my recollection.

Senator BOLKUS—Can you check that?

Ms Andrews—Yes.

Senator BOLKUS—In terms of your recommended short list, how many projects were alive after that?

Ms Andrews—There were 25 on the short list.

Senator BOLKUS—So there were 25?

Ms Andrews—Yes.

Senator BOLKUS—Before you went to the ministerial council or before—

Ms Andrews—No, as a result of that ministerial council meeting, we ended up with 25 to do a full assessment on.

Senator BOLKUS—And you will come back to me with how many you had on the recommended list before. Of those 25, we have some dozen or so.

Ms Andrews—There are 11 in total.

Senator BOLKUS—So when you went away and did a fuller assessment, did you come back with a further set of recommendations?

Ms Andrews—We came back with a full set of assessments of the projects. We did not make a specific recommendation on the projects.

Senator BOLKUS—How many of these would be supply side emission reduction programs?

Ms Andrews—All of them, I believe, if I understand what you mean by supply side.

Senator BOLKUS—You say all of them?

Ms Andrews—Yes, but can you clarify what you mean by supply side programs?

Senator BOLKUS—I think the answer is probably right. I am just looking at reductions. I am looking at non-energy greenhouse emissions.

Ms Andrews—Non-energy greenhouse emissions?

Senator BOLKUS—Yes.

Ms Andrews—The waste coalmine gas projects would probably qualify in a sense as non-energy because of their capture of the waste gas from coalmining from a resource application, but they are then also used to produce energy. The HFC recovery from refrigerants is probably non-energy. The energy efficient kilns is an industrial process but it is about the use of energy. So everything else really relates to energy.

Senator BOLKUS—How did you come to make an assessment as to whether the project would or would not have gone ahead without the necessary funding?

Ms Andrews—I will ask Dr Grant to answer that question because throughout round one he was the senior manager in charge of the application process.

Dr Grant—Could you just repeat the question precisely?

Senator BOLKUS—The question essentially, I suppose, goes back to an earlier form of questioning. How did you come to make an assessment as to whether the project would not have gone ahead without this injection of funding?

Dr Grant—Each of the proponents was asked to provide a proposal only on the basis that they needed essentially the funding from the AGO to make it commercially viable, otherwise it was not commercially viable. The assessment process then went through two elements. The first part was a technical feasibility as to whether the project was technically achievable and whether the quantum that they proposed to achieve were realisable. The second part of it was a financial assessment as to, firstly, the financial merits of the proponent and whether they were able to achieve what they said they would achieve and were a viable organisation; and, secondly, their relative commitment compared to the money that they were seeking from the government. On that basis, essentially, they were saying that, unless they got a quantum of money, it was financially not achievable or not feasible for them to go ahead.

Senator BOLKUS—So how did you then make an assessment as to whether what they were saying to you was right or they were just trying you on?

Ms Andrews—One of the tests that we applied during the financial assessment was the rate of return that the project would establish given GGAP funding. In some instances it was obvious from the application of that that it was a very fine line between commercially viable or not, and in some of those instances it would need a separate permit.

Senator BOLKUS—So you never made your own independent economic assessment; it was basically on the papers presented to you?

Ms Andrews—We did have a full economic assessment done.

Senator BOLKUS—By whom?

Ms Andrews—KPMG was one of our advisers. Did we use Deloittes?

Senator BOLKUS—Did KPMG and Deloittes go through every one of them?

Ms Andrews—Yes, they did, and we did a full economic assessment of each of them. Of the projects that were accepted, the average rate of return on them is about 11 per cent with the GGAP funding. So that is an indication that, in fact, we succeeded in picking those projects that did require funding. I should also say that, in terms of the total funding across the projects, the \$103 million that the Commonwealth put in leveraged total investment of \$763 million and the average percentage of Commonwealth investment in those projects was 13.5 per cent.

Senator BOLKUS—You can always get out of a formula whatever you want, depending on what you put into it. I am trying to work out what assessment was made up front of the propositions put to you by these companies on that issue of whether they would have gone ahead or otherwise. You are saying that you had them checked by KPMG and Deloittes. Were each one of these programs independently assessed for their economic viability without the grant?

Ms Andrews—Yes, they were, but I cannot say with confidence which financial consultants were involved in each of the assessments.

Senator BOLKUS—Sure. But your advice in respect of all of them was that they would not be economically viable.

Ms Andrews—Out of the ones that were chosen, we were satisfied that they would not have been commercially viable projects without the GGAP funding, which was a small percentage in most instances.

Senator BOLKUS—And the fact that the relevant companies might have had billions of dollars to put into this sort of technology was not taken into account?

Ms Andrews—The relevant companies did, in fact, put millions of dollars into these projects. What the GGAP program is aimed at is, in fact, funding the marginal abatement costs of projects such as these, and that is what the money has gone towards.

Senator BOLKUS—In terms of the abatement program aspect of it, what sort of dollar per tonne outcome are we talking about here? Have you made that sort of assessment?

Ms Andrews—Yes, we have. The GGAP dollars per tonne range from \$4 to \$8 and they average \$6 a tonne.

Senator BOLKUS—Have you got those figures for each particular project?

Ms Andrews—I believe we did do them, yes.

Senator BOLKUS—Can you provide those to us?

Ms Andrews—Yes, we can.

Senator BOLKUS—Have any of those grants been set up as loans?

Ms Andrews—I do not believe so, no. There are the deeds of agreement negotiated with the proponents. They will be contingent on milestones within the project and to the extent that it is feasible on actual abatement achievement.

Senator BOLKUS—Has any funding been provided for power generation using native forest waste as a fuel source?

Ms Andrews—No, not from this program.

Senator BOLKUS—So you will provide that further information for us?

Ms Andrews—Yes, we will.

Senator BOLKUS—In ‘taking early action’, output 1.2, greenhouse challenge agreements were originally set up until 2000. How many participants have we in the challenge agreements that go beyond 2000?

Ms Andrews—I will ask Ms Powell, Executive Manager, Partnerships and Market Access Group, to answer that.

Ms Powell—Currently, we have over 500 members of Greenhouse Challenge. All of those members currently have agreements to take abatement actions. There are a couple of companies that originally put together action plans to the year 2000 that have indicated to us that they would like to work on a new suite of actions to go out into a further period—and that further period varies between companies—but all companies that are currently members of the program are currently taking action.

Senator BOLKUS—How many have submitted progress reports for the period up to the year 2000?

Ms Powell—How many have actually submitted progress records?

Senator BOLKUS—Yes.

Ms Powell—We have received a total of 230 progress reports to date; 155 greenhouse challenge members have submitted at least one. So you can see from the differences in those figures that there are several companies that have submitted more than one progress report.

Senator BOLKUS—Yes. How many participants did you say there were altogether?

Ms Powell—There are over 500.

Senator BOLKUS—There are 500, and you have got 150 submitting progress reports.

Ms Powell—That is right.

Senator BOLKUS—Up to 2000.

Ms Powell—Yes. Many members—in fact, quite a few hundred members—have only joined in the last year or so and would therefore not be required to submit progress reports yet.

Senator BOLKUS—So there are quite a few hundred? What do you mean by that? Let us go back to the start of this financial year that we are in now. How many members have you had in the challenge program then?

Ms Powell—At the beginning of this financial year—I cannot tell you exactly, but it was about 500. The Prime Minister’s target for the program was to recruit 500 members by the end of the year 2000, and we did achieve that. So it was of the order of 500 and slightly over.

Senator BOLKUS—So you had about 500 almost a year ago?

Ms Powell—At the beginning of this calendar year. Sorry, did you say financial year?

Senator BOLKUS—Financial year, yes.

Ms Powell—At the beginning of this financial year—I could not tell you. It would have been, I think, around 400, possibly a little more. I am looking at a graph, so it is quite rough, but it is around 330 at the beginning of this financial year.

Senator BOLKUS—And how many of those 330 have submitted progress reports?

Ms Powell—I am sorry, I cannot tell you that.

Senator BOLKUS—So even with the whole lot you are still talking about less than half having submitted reports?

Ms Powell—Of those companies that were members at the beginning of this financial year, many of those would also not have been due for progress reports.

Senator BOLKUS—When are you due for a progress report?

Ms Powell—You report annually on your progress. When that report comes due depends on the specific agreements that were reached with each company. Some companies report on an annual basis, some companies report on a financial year basis, and some companies have a year that is based on when they entered into their cooperative agreement with us.

Senator BOLKUS—So we really cannot make an assessment at this stage as to the real level of compliance, can we?

Ms Powell—That depends on what you mean by compliance.

Senator BOLKUS—Compliance of reporting.

Ms Powell—I have given you the figures for those companies that have provided progress reports. Within that group there are other companies that are late in their progress reporting.

Senator BOLKUS—I am going on the best available interpretation for the program. If there were 330 members about a year ago, they have had a year or so now to report. Those who report on a calendar basis should have reported at the start of the year. Those who report on a financial year basis probably do not have to for a while. But it seems like you are getting less than half reporting within the requisite period, are you not—150 out of 330?

Ms Andrews—I have notes that say we currently have 90 members that we are chasing who have overdue progress reports.

Senator BOLKUS—You have 90 members?

Ms Andrews—Yes, 90 members that have overdue progress reports.

Senator BOLKUS—Up to when?

Ms Andrews—Currently—to this moment.

Senator BOLKUS—So you are saying that, of the 500, there are 150 who have reported and 90 you are chasing. That makes it 240.

Ms Powell—That would mean that the rest are not due to provide progress reports until—

Senator BOLKUS—Until 1 July?

Ms Powell—No, the date at which their progress report becomes due varies according to when they joined the program or the timing for reporting that we have agreed with them.

Senator BOLKUS—Do you have a list of the ones who have not reported progress?

Ms Powell—What I do have with me is an indication that, of those 90, 13 are large companies and 50 are small to medium-sized enterprises, of which 40 are hotels. We currently

have an arrangement in place to assist hotels that had been having some difficulty. And 24 are, in fact, facilitative members, which means they are largely industry associations that are, in fact, not so much reporting on abatement actions that they are taking themselves but rather reporting on the actions that they are taking to assist their members to take various abatement actions.

Senator BOLKUS—Who are the 13 large ones?

Ms Powell—I am sorry, I do not have that information with me.

Senator BOLKUS—Does anyone have it?

Ms Powell—No.

Senator BOLKUS—Will you take it on notice?

Ms Andrews—Yes.

Senator BOLKUS—How many of the ones who have complied have actually met emissions reductions that were initially identified?

Ms Powell—Most of the companies have, in the early stage of the program, set themselves an emissions projection for the year 2000. Many of the year 2000 reports have in fact either not come due or have not been received yet. So we will not be able to answer that question until we have all of the progress reports in for the year 2000.

Senator BOLKUS—Can you tell us to date what sorts of reductions companies have estimated they have achieved so far?

Ms Powell—Certainly. If you look at end use submissions for the program, the estimation is of the order of 23.5 megatons of savings. These are savings from the actions that they are taking through the program—so against what they would have done anyway.

Senator BOLKUS—That was the promise, right?

Ms Powell—That is what companies have put in as their projections for the year 2000.

Senator BOLKUS—In terms of the ones that have reported so far, I am trying to get an idea of what all that adds up to.

Ms Powell—We cannot provide you with that information because there are not enough of the companies that were due to report on their actions for the year 2000. We do not have enough progress reports to provide that information.

Senator BOLKUS—How many do you have?

Ms Powell—We have 230 progress reports from 155 different companies.

Senator BOLKUS—So why is that not enough?

Ms Andrews—I think the point is that, for the year 2000, the progress reports are not actually due for six months after the end of the year.

Senator BOLKUS—I understand that; that has been said to me three times now. What I am trying to do is get an idea of: of those who have reported so far, what are the actual figures? I do not want to know if it is not enough or whatever. I just want to know: of those that have reported so far, what are the actual reductions that have been achieved on their assessments?

Ms Powell—I have some data from the 1999 evaluation of the program.

Senator BOLKUS—No, that does not give me the 2000 reports, does it?

Ms Powell—No, it does not.

Senator BOLKUS—I want the 2000 reports.

Ms Powell—We do not have a lot of the reports that provide the data for the year 2000.

Senator BOLKUS—You have some reports. I want to get an idea of what has actually happened so far in terms of those 2000 reports.

CHAIR—Presumably, you can take it on notice, if necessary.

Senator BOLKUS—No, because they will come back with an answer saying we do not have enough. You are telling me you have 230 reports in, 150 proponents, they have all made estimates and they have all made promises. I want to get an idea of what—

Ms Andrews—We can give you the information that was compiled on those reports in 1999; but the reason we cannot give you the 2000 information—

Senator BOLKUS—It is because it is embarrassing.

Ms Andrews—No, it is because the progress reports that incorporate the year 2000 are not actually due until 30 June 2001.

Senator BOLKUS—Sure. But you have had 230 reports in so far, right?

Ms Andrews—Not for the year 2000. So we can give you the information from 1999, but not the year 2000.

Senator BOLKUS—How many of those would be for the year 2000—of the 230?

Ms Powell—I do not know that. But, given that quite a lot of those are second, third and fourth reports from some companies, and most of our recruitment has been in the last 12 to 18 months, the number would be fairly small.

Senator BOLKUS—How many have been verified?

Ms Powell—Thirty-one are verified, and I think four were done as a pilot.

Senator BOLKUS—So 35 out of 230?

Ms Powell—No. The independent verification was not 100 per cent but close to that for all of those who were eligible for independent verification. To be eligible for independent verification, you need to have submitted at least one annual progress report.

Senator BOLKUS—So what is the change in overall emissions from the 1995 baseline? Can you come up with that figure?

Ms Powell—What I have are the figures for end use by the end of the year 2000—23½ megatonnes end use and five megatonnes savings coming from electricity generators and distributors. Those figures cannot be added together.

Senator BOLKUS—So the actual overall change is pretty hard to tell at the moment, isn't it?

Ms Powell—It is quite difficult at the moment. It will be—

Senator BOLKUS—But it is not 23.5. That is more the promise rather than the actual.

Ms Powell—That is right. That is the projections.

Senator BOLKUS—So you really cannot tell what the reduction is over the 1995 or the 1990 baseline?

Ms Powell—No, but when we do get our 2000 progress reports in, we will be in a position to provide a great deal of quite rich data.

Senator BOLKUS—When will you get those in?

Ms Powell—They come in at different times over the year 2001.

Ms Andrews—And they are due on 30 June 2001.

Ms Powell—Some of them are due actually later than that if they entered into their agreement later in the year. So they would all be due this year.

Senator BOLKUS—By the end of this year, how many reports should you have in?

Ms Powell—We should have at least 330.

Senator BOLKUS—Why 330?

Ms Powell—Because one year ago we would have had about 330 members.

Senator BOLKUS—How many organisations have revised their action plans downwards?

Ms Powell—Again, that information is provided in progress reports. What some companies do is when they provide their progress reports they actually change their actions on an annual basis learning from what they have done—so they might add on or take away various actions—and also to fit in with changes within the company. Other companies adopt a different approach and review their action plans on a less than annual basis.

Senator BOLKUS—So how many have actually revised their action plans downwards?

Ms Powell—I do not have those figures.

Senator BOLKUS—Does anyone have them?

Ms Powell—No. Because as I have explained, they are contained in the progress reports.

Senator BOLKUS—You have received progress reports, haven't you? You have got a bucket load of progress reports. How many of those progress reports have revised downwards?

Ms Powell—We will have to take that on notice. We can determine that, but it will take some time.

Senator BOLKUS—What do you mean by 'some time'?

Ms Powell—We will have to go through all of the progress reports and work it out.

Senator BOLKUS—You have not done that so far?

Ms Powell—We do not have enough meaningful and accurate data that I would be confident in providing it.

Senator BOLKUS—But you will provide it, anyway, will you?

Ms Powell—Yes, we are happy to take that on notice.

Senator Hill—For which year?

Senator BOLKUS—Up till now. We have got a paucity of information, I am told. I would like to see in terms of what has been reported so far how many organisations have revised downwards over the period of which they have been reporting.

Senator Hill—Okay.

Senator BOLKUS—Has any one single organisation actually implemented all of the actions identified in their action plan?

Ms Powell—We will have to take that on notice.

Senator Hill—What about those that have been audited?

Ms Powell—The independent verification shows that companies have in fact been taking the actions that they report they have been taking.

Senator Hill—That is what Senator Bolkus wants to know.

Ms Powell—Certainly, every company that has been independently verified has been taking the actions that it is reporting to. Can you repeat your question?

Senator Hill—I think that answers it.

Senator BOLKUS—You probably would think that. In terms of initial commitments, has any single organisation implemented all of the actions identified in its initial action plan?

Ms Powell—I will have to take that on notice. We constantly work with companies, particularly bigger companies, to make sure that their action plans continue to reflect the changes in their company and they learn from what they have been doing. So they are fairly dynamic documents for many companies.

Senator BOLKUS—You mentioned 23½ million tonnes. Some 18 million tonnes of those come from actions that BHP already intended to take.

Ms Powell—I'm sorry?

Senator BOLKUS—Some 18 million tonnes of the production that you refer to come from actions that BHP has indicated that it was already intending to take.

Ms Powell—I do not think so. Could you explain that, please?

Senator Hill—Is that a question?

Senator BOLKUS—We will get to the question. Joe Herbertson, former head of research at BHP, was quoted recently as saying:

The difficulty I have always had with the program is that most of those who have signed up to the Greenhouse Challenge have not actually agreed to reduce their emissions. They have agreed not to increase their emissions by as much as they would otherwise have increased. There should be some sort of public recognition of companies that go the extra mile and actually reduce their emissions.

My understanding is that the information that has come out recently is that BHP's 18 million tonnes are included in that overall 23.5 million tonne estimate. Is that so?

Ms Powell—No. BHP's annual emissions are roughly in the order of 27 megatonnes, and their savings that they are projecting from the program are in the order of about 6½ megatonnes.

Senator BOLKUS—Can you give me a rundown of what is included in that 23.5 million? Do you have a chart listing the companies—

Ms Powell—I do not have it by companies. Some companies choose to keep the exact numbers of their cooperative agreements confidential. Many companies make it public, but not all do.

Senator BOLKUS—BHP are obviously not one of those?

Ms Powell—BHP are not one of those, or they have a public statement that provides the information that I have just shared.

Senator BOLKUS—Are we looking at the program running the way it is at the moment into the future, or are you looking at some sort of review or restructuring?

Ms Powell—We adopt an approach of continuous improvement within the program. We work with members, both directly and through our joint consultative council that we have in place, to progress a range of issues that either industry participants or the Greenhouse Office identify as areas for improvement.

Senator BOLKUS—How often do companies sign an agreement? Is it a two- or three-year thing?

Ms Powell—Companies normally only sign an agreement once. There are several companies who have indicated that they would like to renew that agreement, but there is no requirement for that.

Senator BOLKUS—Have many companies indicated that they want to drop out of it?

Ms Powell—There are no companies that have left the program. There are a couple of companies that no longer exist.

Senator BOLKUS—So there are no consultations or discussions or consideration being given to changes to the program?

Senator Hill—The program has changed, hasn't it? It has changed to encourage smaller emitters to become members. You had a particular—what did you call that?—subprogram.

Ms Powell—That is right. One part of the program is based on participation, where we use a third-party recruitment process and we work through industry associations and other groups that are closely connected to their members where they are smaller companies, and we adopt a different approach for large companies. We are looking at a range of new ways to add values—

Senator Hill—You have a regional project.

Ms Powell—Yes. We are always looking for new ways to add value to our members and we design programs and approaches to meet those needs as they arise.

Senator BOLKUS—So there is no intention at the moment to make any radical changes?

Ms Powell—Not other than improving things that are currently in place.

Senator BOLKUS—What about that quote from Mr Herbertson, the former head of research at BHP, when he said that the program basically covers those who have not actually agreed to reduce their emissions—

Senator Hill—But the program was really about encouraging better than business-as-usual performance. It was a 'no regrets' program. Basically, what companies had to do was give thought to how they could achieve a less carbon intense outcome for the future and demonstrate to the Greenhouse Office how that could be done, and the Greenhouse Office had to accept that it was sufficiently demanding and would require sufficient effort before their plan would be accepted as part of the program. Through this particular program that is what we are seeking to do: to encourage through a voluntary scheme those within corporate Australia that are prepared to have a go at getting a better than business-as-usual outcome to in fact do so.

Senator BOLKUS—That is the gospel, Minister, and we keep on getting it. How much money has been allocated to the Greenhouse Allies?

Senator Hill—Greenhouse Allies is a subset of the Greenhouse Challenge, isn't it?

Ms Powell—I just passed my notes on. However, we have another copy. It is about \$900,000.

Senator BOLKUS—For which financial year?

Ms Powell—The financial year 1998-99 and 1999-2000.

Senator BOLKUS—Was there any money left in this program as of 1 January this year?

Ms Powell—Greenhouse allies is funded through the greenhouse challenge program. It does not have a separate appropriation.

Senator BOLKUS—But you gave me two years in which there was money—

Ms Powell—That money came out of the greenhouse challenge program. Greenhouse allies is a subcomponent of greenhouse challenge as a way to work with small businesses.

Senator BOLKUS—The question is still relevant: was there money left in this program as of 1 January this year?

Ms Powell—There is funding still left within the greenhouse challenge program.

Senator BOLKUS—I presume the process is that there is a budget for greenhouse allies?

Ms Powell—No, there is not. When we fund it we fund it within the greenhouse challenge budget.

Senator BOLKUS—What was the amount of money left in the greenhouse challenge program as of 1 January this year?

Ms Powell—As of 1 January this year, I am sorry, I do not know. I can take that on notice.

Senator BOLKUS—Can you take it on notice?

Ms Powell—I can tell you what it is today.

Senator BOLKUS—Yes, great.

Ms Powell—Our budget for the program for this year is \$7.4 million and our expenditure to date is \$4.9 million.

Senator BOLKUS—So there is \$2.5 million left for this current financial year?

Ms Powell—That is correct.

Senator BOLKUS—Have decisions been made as yet to allocate any of that \$2.5 million funding?

Ms Powell—Some of that is committed.

Senator BOLKUS—How much?

Ms Powell—I am just seeing if I have that information.

Senator BOLKUS—Take on notice the inquiry to detail disbursements made from this program from 1 January to the present.

Ms Powell—Are you meaning in terms of consultancies and payments that we have made?

Senator BOLKUS—All disbursements, grants—

Ms Powell—Yes I will take that on notice

Senator BOLKUS—and consultants.

Ms Powell—There are no grants that have been coming out of greenhouse challenge.

Senator BOLKUS—You just said to me that there is \$2.5 million left and that has been committed. What has that been committed to?

Ms Powell—No, some of that has been committed. Some of that would be committed—

Senator BOLKUS—How much has been committed?

Ms Powell—I do not know. I will take that on notice.

Senator BOLKUS—Do you have it in your records there?

Ms Powell—I do not believe so.

Senator BOLKUS—How about having a look?

Ms Powell—No, I am sorry. We do not have that.

Senator BOLKUS—No-one has those details here?

Ms Powell—Of what has been committed? No, we do not have that. I can take it on notice.

Senator BOLKUS—Let's say it was a \$7.4 million budget for this financial year for the greenhouse challenge program.

Ms Powell—That is right.

Senator BOLKUS—I would like a breakdown by component of where that money has been spent to the extent that it has been spent. I presume that is \$4.9 million. Plus, do you know what proportion of the \$2.5 million has been committed so far?

Ms Powell—No, I do not know what proportion.

Senator BOLKUS—Do you anticipate any money being rolled over into next year?

Ms Powell—Yes, I would expect at least \$1 million.

Senator BOLKUS—So given it is the start of June, there is a fair chance that over \$1 million has been committed out of the \$2.5 million?

Ms Powell—I do not know how much of that is committed.

Senator BOLKUS—So \$1 million gets rolled over to next year?

Ms Powell—At least, possibly more.

Senator BOLKUS—In terms of that money that is committed, you say there are no grants in that?

Ms Powell—That is correct. The commitments that I am aware of would be, for example, for contracts that we have with our third-party recruiters and staff salaries.

Senator BOLKUS—What is the budget for next financial year?

Ms Powell—Next financial year is \$7.5 million.

Senator BOLKUS—Will there be any grants made out of that budget next financial year?

Ms Powell—We have no plans at this stage.

Senator BOLKUS—There will not be a greenhouse allies program next financial year?

Ms Powell—We are going to have a look at the results of the first two rounds. Those projects are coming to an end around about now and over the next few months. Over the final couple of months we will be having a look at those and assessing their impact. We will take a decision on that depending on the benefits that we see from the previous two rounds.

Senator BOLKUS—Just to clarify the record, in terms of this current year, in terms of the greenhouse challenge program and my request for component expenditure, I would like to know how much of the program has been spent from 1 January this year on greenhouse allies and a breakdown of how that was spent. Cities for climate protection—can someone tell us how much has been allocated to the emissions reduction incentive program?

Ms Andrews—\$750,000, I believe. It is a nominal allocation at this point.

Senator BOLKUS—That is for the financial year 2000—

Ms Andrews—It is for this financial year, I believe.

Senator BOLKUS—What about next financial year?

Ms Andrews—The decision has not been taken on how much of the program budget for next financial year might go towards that program.

Senator BOLKUS—Of the \$750,000, can you tell us how much money was left in the program as of 1 January this year?

Ms Andrews—\$750,000.

Senator BOLKUS—None of it has been spent before?

Ms Andrews—No.

Senator BOLKUS—And none is spent now?

Ms Andrews—No.

Senator BOLKUS—None is committed now?

Ms Andrews—No.

Senator BOLKUS—When do you intend to commit it?

Ms Andrews—I think that is dependent on a decision by the ministerial council on projects.

Senator BOLKUS—Have you had an assessment process for applications for grants?

Ms Powell—Yes, we are currently in the middle of that process.

Senator BOLKUS—So you have advertised?

Ms Powell—Yes, there was a public advertisement. Applications have closed and we are currently assessing.

Senator BOLKUS—How many applications did you receive?

Ms Powell—I do not have that information.

Senator BOLKUS—You will come back to us?

Ms Powell—Certainly.

Senator BOLKUS—You are making an assessment now?

Ms Powell—Yes.

Senator BOLKUS—Has that been completed as yet?

Ms Powell—No. It is close to finalisation.

Senator BOLKUS—Do you have a ministerial council meeting planned?

Ms Powell—It will be going to the ministerial council shortly, probably not till the next meeting though.

Senator BOLKUS—You anticipate the whole \$750,000 will be committed at that meeting?

Ms Powell—I hope so.

Senator BOLKUS—Ms Andrews, you are aware of—you probably will not be now—caretaker conventions, aren't you, in respect of the calling of elections and announcement of grants during that period?

Ms Andrews—Yes.

Senator BOLKUS—What is your understanding of it?

Senator Hill—That is a very general question.

Senator BOLKUS—We could handle something general this time of night.

Ms Andrews—Essentially, as you and I are both aware, the Prime Minister and Cabinet Department will put out a circular when the election is called, and we will get our direction from that. But it is normal—or it has been in past caretaker periods—that grants are not announced during the period.

Senator Hill—That is not right. You should go and re-read it. Decisions are not made during the period.

Ms Andrews—Yes, you are quite right. My apologies.

Senator Hill—They do not give us a hand.

Senator BOLKUS—But they can be announced, can they, Minister?

Senator Hill—They can be announced—a longstanding practice.

Senator BOLKUS—Even on the morning of the election in desperate situations in marginal seats?

Senator Hill—It would be a bit pointless then.

Senator BOLKUS—You did it last time.

Senator Hill—On the morning of the election?

Senator BOLKUS—You did indeed.

Senator Hill—That shows that we definitely were not looking for political advantage.

Senator BOLKUS—In Adelaide I remember turning on the radio and you had just made an announcement to save a protected species. I think it was Trish Worth at that stage. So your understanding is a bit different from the minister's then, Ms Andrews?

Ms Andrews—I am sorry. I stand corrected.

Senator BOLKUS—You should not.

Ms Andrews—I do.

Senator Hill—It has been a long day.

Senator BOLKUS—Domestic emissions reduction program—what proportion of AGO funding goes towards reducing greenhouse emissions from domestic activities?

Ms Andrews—When you say ‘domestic’, do you mean household activities?

Senator BOLKUS—Yes, it is a good way to start.

Ms Andrews—There is one specific program, household greenhouse action, in that area, but that would not be the full extent of our influence on households. Certainly through our energy efficiency programs and regulation we are influencing households as well, and there would be other projects financed through some of our other grant programs that would have an end-use effect on households.

Senator BOLKUS—The ABS says that 56 per cent of emissions come from domestic activities. You have got one program.

Ms Andrews—Specifically aimed at consumers in households. We have one program called Household Greenhouse Action, but certainly our energy efficiency programs, particularly our consumer labelling programs in both transport and appliances and equipment, are aimed squarely at consumers and energy efficiency.

Senator BOLKUS—Let us turn to the Household Greenhouse Action Program. How much has been allocated to that program?

Ms Powell—The Household Greenhouse Action Program has \$1.8 million this financial year.

Senator BOLKUS—How much was left as of 1 January?

Ms Powell—I will have to take that on notice.

Senator BOLKUS—How much is left now?

Ms Powell—\$1 million.

Senator BOLKUS—How much of that is committed?

Ms Powell—I do not have the exact figure, but it is a significant amount.

Senator BOLKUS—So do you expect any rollover into next year from this year?

Ms Powell—There may be. The commitment will come out of a contract that is still being negotiated and I do not have a sense of how long that might take.

Senator BOLKUS—Is there a process under way to commit the outstanding \$1 million?

Ms Powell—Yes, that is just what I was saying. There is a contract that we are negotiating; it is quite complex and it may take some time. I cannot be sure if it will be complete this financial year.

Senator BOLKUS—And would that absorb the whole \$1 million?

Ms Powell—Not all of it, no.

Senator BOLKUS—When do you anticipate that being finalised?

Ms Powell—I cannot say. It may be—

Senator BOLKUS—What is the budget for the next financial year?

Ms Powell—\$0.3 million

Senator BOLKUS—Is there a process under way to allocate that?

Ms Powell—We have a number of grants that we have funded. We are having a meeting of a consortium, which is like an advisory body, to look at those grants and that group may be providing advice as to where we might look next year.

Senator BOLKUS—Okay. There is an independent review of the performance of federal government agencies by Allen. Has that been released at all?

Ms Andrews—I am sorry, which

Senator BOLKUS—That is the Allen review on the performance of federal government agencies.

Ms Powell—I think that you might be referring to the review of the Commonwealth energy policy that was conducted by ISR.

Senator BOLKUS—I thought there was a review of agencies themselves.

Senator Hill—It could be here, but could we talk about something else?

Senator BOLKUS—For instance, I am told that the Department of Defence has a long way to go to meet its target.

Senator Hill—We do not know that one.

Senator BOLKUS—Do you not know that one? So do we have any indicator as to how the federal government is comparing 1990 levels of greenhouse gas emissions at the moment, or recently?

Ms Powell—The Commonwealth energy policy has an energy reduction target of 25 per cent reduction in energy intensity by 2002-03 against a 1992-93 base year.

Senator BOLKUS—Just give us that figure again, sorry.

Ms Powell—The target is a 25 per cent reduction in energy intensity by 2002-03 against the 1992-93 base year.

Senator BOLKUS—Okay. Has there not been an independent review of the performance of federal government agencies?

Ms Powell—There is an annual report on whole-of-government energy use that is tabled in parliament towards the end of each year that is done by the Department of Industry, Science and Resources.

Senator BOLKUS—But you do not know of anything done by Allen Consultancy?

Ms Powell—We have not commissioned anything.

Senator BOLKUS—No, I am not saying you have commissioned—

Ms Powell—No, I do not.

Senator BOLKUS—And you cannot say how the federal government now compares to 1990 levels of greenhouse emissions?

Ms Powell—The current energy policy, which commenced in mid-1998, has resulted in a 10.6 per cent improvement in energy efficiency and a 9.6 per cent reduction in emissions.

Senator BOLKUS—Who came up with that figure?

Ms Powell—That would have come out of the whole-of-government energy report.

Senator BOLKUS—So can you tell us what proportion of the federal government's energy requirement is sourced from renewable energy and might be eligible for Greenpower or the government's renewable energy measure?

Ms Andrews—I think that we would have to take that on notice. It is one of the things that we work on. We have, through joint contracting, managed to direct some money from the federal government into Greenpower purchases, but I could not give you the amount at the moment or the percentage. I can tell you, however, that the Australian Greenhouse Office operates on 100 per cent Greenpower.

Senator BOLKUS—Good. That is one part of the answer. The question was: what proportion of the federal government's energy is sourced from renewable energy that is eligible for either Greenpower or the government's renewable energy measure? Do we have an average rating of Commonwealth buildings under the national building greenhouse rating scheme?

Ms Andrews—No, we do not.

Senator BOLKUS—Has the federal government made any commitment at all to improve the average rating, or whatever it might be?

Ms Andrews—The Commonwealth government has certainly made a commitment in terms of its energy usage, which is 25 per cent off the 1992-93 base year. The vast majority of that energy usage comes from usage in buildings, as you might imagine.

Senator BOLKUS—Yes, but the actual building greenhouse rating.

Ms Andrews—No, there is no commitment to a rating scheme as such.

Ms Powell—There is as part of the current Commonwealth energy policy. There is a program in place to upgrade existing Commonwealth housing to NatHers three-star rating and to seek to ensure that future housing achieves a NatHers four-star rating, but that only applies to housing.

Senator BOLKUS—Okay. What are you currently doing within the Greenhouse Office to progress emissions trading?

Ms Andrews—We are still doing policy development work and discussions with stakeholders. As you may be aware, we did publish late last year a proposal for an early crediting program, which would be a first step towards emissions trading. The comments on that proposal came in in late March, early April. We are assessing them and reporting back to the ministerial council. We also have begun a series of seminars and discussions with industry on the concept of no disadvantage and how it might apply to future greenhouse policies such as emissions trading. We have also suggested to industry and are discussing with them now the concept of doing a baseline exercise to see whether we can gather the data that would be required to underpin an administrative allocation under an emissions trading system.

Senator BOLKUS—Thanks for that. Some of the ministers referred to the no disadvantage principle. How do you read that? What does it mean to you?

Ms Andrews—I do not have the exact wording from the ministerial statement that was made by Senator Minchin last August, I believe, but it is essentially the concept that those companies that take action to reduce emissions at this point in time will not be disadvantaged when future greenhouse policies are implemented, particularly if that policy is emissions trading.

Senator BOLKUS—Can I turn to the Alternative Fuels Conversion Program. How much has been allocated to this program and when was the appropriation made?

Ms Andrews—It is a total of \$75 million over four years.

Senator BOLKUS—Right. What is it for this financial year?

Ms Andrews—\$15 million, I believe.

Senator BOLKUS—How much of this was left unspent as of 1 January this year?

Ms Andrews—We would have to go back to the 1 January date. The notes that I have say that currently, under the program, \$13.6 million has been either expended or committed.

Senator BOLKUS—Okay. So is there any process in place to expend the rest?

Ms Andrews—Mr Harrington, can explain the process.

Mr Harrington—The program guidelines have been established. There is an open, not time-limited application process and assessment of those on technical and merit criteria. Essentially, again, applications are simply processed as they are received.

Senator BOLKUS—Who makes the decision?

Mr Harrington—Where the expenditure is below \$100,000, from memory, decisions can be made by the Australian Greenhouse Office. If it is above that figure then it is referred to the ministerial council on greenhouse.

Senator BOLKUS—And there is a budget for the next financial year as well?

Mr Harrington—The budget for the next financial year is \$20 million.

Senator BOLKUS—What is the timetable for the application and assessment process for that?

Mr Harrington—There is no specific time frame. Applicants are free to apply at any time.

Senator BOLKUS—Okay. I have the same question in relation to the Renewable Energy Commercialisation Program. What was left unspent at 1 January this year and what is it now?

Ms Andrews—Again, we would have to go back to reconstruct that, but my notes say that currently uncommitted funding is \$10.4 million for this financial year.

Senator BOLKUS—And what is it for next financial year?

Mr Harrington—A total of \$12.1 million.

Senator BOLKUS—And who makes the decision as to spending that money?

Mr Harrington—Primarily, it is the ministerial council on greenhouse. For very small grants under the industry development component of RECP it is possible for the Australian Greenhouse Office to make decisions. That would typically be less than \$100,000.

Senator BOLKUS—And when does the next round of funding advertising and so on start?

Mr Harrington—RECP round 6 is under way as we speak. In fact, it closed last Tuesday. There are two rounds per year, so each six months we run a new round.

Senator BOLKUS—How much do you intend to allocate in this first round?

Mr Harrington—In round 6 there will be something approximating \$5 million.

Senator BOLKUS—You say there is \$10 million unspent as of this date?

Mr Harrington—Uncommitted. That is correct. The rounds we are referring to—for example that \$5 million—are for commercialisation projects. There has been an amount notionally set aside of up to \$6 million for industry development within the same program, and that money will be progressively committed as well.

Senator BOLKUS—So there is \$10 million unspent for this financial year. There is \$12 million for the next financial year. Of that \$22 million in this current round coming up you are looking at spending \$5 million.

Mr Harrington—Certainly the balance uncommitted under the funds available for commercialisation projects is approximately \$5 million. Approximately \$5 million of the \$6 million total available for industry development remains to be committed.

Senator BOLKUS—I turn to the Renewable Energy Equity Fund. What was the state of its budget on 1 January this year?

Ms Andrews—I believe that one would have been fully committed by 1 January.

Senator BOLKUS—Fully committed?

Ms Andrews—Yes.

Senator BOLKUS—What is the budget for next financial year?

Mr Harrington—The budget for next financial year is \$3.23 million.

Senator BOLKUS—And has that round of the funding cycle started as yet?

Mr Harrington—The REEF program is quite unusual in that it is administered at arms-length from government by a venture capital fund established for the purpose, known as CVC REEF. Essentially they call on funds as required to support their independent investment decisions.

Senator BOLKUS—I turn to the Office of the Renewable Energy Regulator. Is that person around?

Ms Andrews—Yes, the regulator is with us tonight.

Senator BOLKUS—Easy questions first: what is your budget and how many staff do you have?

Mr Rossiter—The budget is \$1.6 million and we have seven staff.

Senator BOLKUS—How many applications for registration of generators do you have?

Mr Rossiter—There are 106 at this moment.

Senator BOLKUS—How many have been registered?

Mr Rossiter—We have registered six and we are in process with several more at this point.

Senator BOLKUS—How many applications for accreditation of power stations have you had?

Mr Rossiter—Sorry, that was the accreditation of power stations—the application.

Senator BOLKUS—Generators and power stations. You don't distinguish?

Mr Rossiter—They are the same issue. There are registrants, which is a separate issue.

Senator BOLKUS—If I can just go back, I was talking about generators and power stations.

Mr Rossiter—The applications for accreditation—

Senator BOLKUS—Applications for registration of generators.

Mr Rossiter—We have 68 registrants at the moment.

Senator BOLKUS—Sixty-eight applications for registration of which you have approved how many?

Mr Rossiter—We have approved six for accreditation.

Senator BOLKUS—And accreditation of power stations, what number was that?

Mr Rossiter—Six.

Senator BOLKUS—Do you have a breakdown of accredited power stations by technology type?

Mr Rossiter—I do. Of the current six accreditations at this point, one is new hydro, two are biogas, which is landfill gas in both those occurrences, and three are wind.

Senator BOLKUS—Can you tell us how many certificates have been registered?

Mr Rossiter—As of Friday, 2,032.

Senator BOLKUS—Would you like to table the certificates?

Mr Rossiter—They are electronic. They are difficult to table.

Senator BOLKUS—Does the certificate stipulate the renewable energy source?

Mr Rossiter—It does.

Senator BOLKUS—And are you tracking the use and uptake of native forests as a renewable energy source at all?

Mr Rossiter—We track wood waste and co-firing.

Senator BOLKUS—Do you distinguish between native forests and wood waste?

Mr Rossiter—On the public registry we do not.

Senator BOLKUS—But privately you do?

Mr Rossiter—We do.

Senator BOLKUS—Why are you not doing it on the public registry?

Mr Rossiter—The requirements under the act are for the eligible renewable energy source to be recorded, and there is a list of those sources under clause 17 in the act. It does not mention native forest at all.

Senator BOLKUS—It does not prohibit it, though, does it?

Mr Rossiter—It uses specific words, and we tend to use the specific words that are in the act, which is wood waste or co-firing.

Senator BOLKUS—So in essence you are tracking it in a private sense but not publicly.

Mr Rossiter—Administratively we are tracking it, yes.

Senator BOLKUS—Are you aware of any market differentiation between RECs from native forests and others? Is there a market differential?

Mr Rossiter—We do not track prices of renewable energy certificates, other than by information that passes into our hands. We do not deliberately track it.

Senator BOLKUS—Have you seen, or is the AGO aware of, a recent report by Peter Barnes regarding the greenhouse emission implications of using native forest waste as a renewable source of fuel?

Mr Rossiter—I am not specifically aware of that report, unless I know it by another name.

Mr Beale—I am not sure that the regulator, who is literally that, just an implementer of the act—perhaps Ms Andrews might pick that up.

Senator BOLKUS—I directed it at both, so she was not going to miss out.

Ms Andrews—Checking with the staff here who are the most likely to have heard of such a report, we are not aware of it.

Senator BOLKUS—You are not aware of it, okay. Is the AGO's estimate still the same as the one that we used in parliament, that only 5 per cent of the target is likely to be met from native forest waste?

Mr Harrington—Yes, we are not aware of any information that would have that changed. I think we said something around 3 to 5 per cent from my recollection.

Senator BOLKUS—When you say you are not aware of any information, does that mean you are not aware of any further research study or does it also mean that you are not aware, for instance, of the level of applications going to the regulator?

Mr Harrington—As Mr Rossiter indicated, the regulator will collect and make public the statistics as it goes. However, it is early on in that process so there is not much of a data set to work with at this time.

Senator BOLKUS—Minister, maybe you can help us here. There is concern, as you know, about the level of fuel coming from native forest waste. The regulator is keeping private information as to the level of source of that fuel. Can you see any reason why that information cannot be made more public? The words of the legislation have been invoked but my understanding was that they were not prohibitive.

Senator Hill—What is it not providing?

Senator BOLKUS—I think the view is that the legislation does not allow for the publication of identification of the source if it is from native forests as opposed to other forests.

Senator Hill—I think that has to be included in the certificates, does it not?

Mr Harrington—I think it requires whether it is wood waste or some other source, but not where the wood waste comes from.

Senator Hill—Not where the wood waste comes from.

Senator BOLKUS—I think my understanding during the debate was that there would be identification. I expect that might have been yours as well.

Senator Hill—I would need to refresh my memory. I can remember I think it was an amendment from the Democrats that was accepted that required the energy source in terms of the material to be stated. In relation to forest waste, your suggestion is that particular location of the original timber would be stated. Maybe it was not stated because it was assumed that it would be fairly obvious from the location of the generator. It is obviously economically rather marginal in any event.

Ms Andrews—Any long-term carriage is obviously going to be out of the question.

Senator BOLKUS—I suppose my inquiry was: are you tracking the use and uptake of native forests as a renewable energy source? The answer was, ‘Yes, privately, but I cannot make that information public because of the legislation.’

Senator Hill—I do not think that the legislation prohibits it.

Senator BOLKUS—I think that is probably where the confusion is.

Senator Hill—You are suggesting that there be some public interest in knowing the location of the source in terms of location of wood waste.

Senator BOLKUS—I am suggesting also that that was probably part of the understanding that we had in the Senate when the legislation was passed.

Senator Hill—I am reminded that there is to be a review in two years. I am told that the information is being kept for the purposes of that review. But I thought the review was really to look at the quantum, the amount of wood waste that is being utilised rather than the percentages and the geographical source of the wood waste. I think all I can say at the moment is that the issue has been raised and I am happy to have a look at it.

Senator BOLKUS—I wonder if Mr Rossiter is also of the view that he is not able to provide overall levels of native forest waste as a proportion of fuel source as opposed to identification of the actual location?

Mr Rossiter—It is a matter of requirement under the act. The act is quite specific and uses terms that are defined in the act. I think it says in that section that the eligible renewable energy source should be stated on the certificate. That is a defined term in the act. Native forest wood waste does not come into that list of defined terms, so we are administering that part of it.

Senator BOLKUS—It does not exclude it, though, does it?

Mr Rossiter—Not that I’m aware.

Senator BOLKUS—So I cannot understand why you think there is a prohibition on you providing that information when there is no legislative prohibition on it.

Senator Hill—I think the question is premature in any event, but when there is a more established pattern it would certainly be useful for policy makers to know the extent to which a wood waste is being taken up.

Senator BOLKUS—I think it is pretty useful for public debate as well, because in the absence of—

Senator Hill—That is what I mean, because we acted upon certain advice that you have referred to in your earlier question. If that does not turn out to be the fact, then we would want to consider what the options were as well. I think the point being made is that there is an issue as to the extent to which the regulator should be out there providing material that is beyond his regulatory obligation. But I do not think it is an illegitimate question to ask of government. I am just suggesting that it is a bit early.

Senator BOLKUS—I would like you to take some legal advice on it and see if you can work your way through it.

Senator Hill—I am happy to do that. I am just wondering whether we have a sufficiently established pattern to provide anything useful at this stage.

Senator BOLKUS—Sure, but legal advice takes a bit of time before it comes through, so the timing might be right by the time you get it.

Senator Hill—I will look at that as well.

Senator BOLKUS—Can you tell us how many applications there have been for power stations using native forest waste so far?

Mr Rossiter—We have had applications for co-firing which we consider could use that sort of fuel. We have had two applications from one company.

Senator BOLKUS—Can you tell us where they are?

Mr Rossiter—The database is a publicly available database and it is Macquarie Generation, which has both the power plants.

Senator Hill—Whereabouts?

Mr Rossiter—The Hunter Valley.

Senator BOLKUS—Has the AGO provided any funding to proponents of native forest biomass generation?

Senator Hill—Any funding?

Senator BOLKUS—Yes.

Mr Harrington—Under the Renewable Energy Commercialisation Program there would have been grants for the use of biomass to energy, which may draw on native forest as a resource.

Senator BOLKUS—Can you identify those for us on notice?

Ms Andrews—Yes, on notice we could.

Senator BOLKUS—Also, will the AGO be able to track the use of native fuel for generation other than under the measure that has been agreed to? That is a rider to the first question. My last question is with respect to greenhouse. It relates to the AGO about your release guidelines for consumer labels of greenhouse friendly goods. Where is the program up to, what has it cost so far and under what program is it funded?

Ms Andrews—I can tell you that we have recently completed a series of consultations with industry on the guidelines for the program and that we will be presenting final guidelines for consideration by the ministerial council shortly—within a couple of weeks. In terms of what it has cost, I would have to take that on notice. There has been some expenditure, particularly on market research with consumers. I am sorry, what was the last part of your question?

Senator BOLKUS—What does it cost? What is the ongoing budget required for the program? You can take this on notice as well—how do you expect to ensure additionality and avoid duplication and double counting?

Ms Andrews—Yes. We can provide you with the guidelines that will give you the answer to that.

Proceedings suspended from 9.06 p.m. to 9.17 p.m.

Senator BARTLETT—In terms of the GGAP program, you mentioned committing \$103 million—it is not spent yet, but committed—and you outlined a range of applications that have been successful and that you were going to give money for a range of people. I think you also mentioned in some of your answers an estimate of between \$4 and \$8 per tonne in

average savings. Does the \$103 million already committed include the \$45 million that was allocated in the budget from the Greenhouse Gas Abatement Program for domestic greenhouse policy development and reporting and sinks or is that a separate chunk of money?

Ms Andrews—That is a separate item.

Senator BARTLETT—On page 134 of the PBS, you have four budget measures listed: grounds for policy development, international policy and reporting sinks, GGAP and pricing review. The GGAP one appears to be just a collation of the two above it; is that correct?

Ms Andrews—Yes, it is essentially the offset of the savings side for the two measures above it.

Senator BARTLETT—Those two measures above—policy development and international policy and reporting—that is coming out of the \$400 million total over five years now?

Ms Andrews—Yes, it has been offset from the program so, in effect, the \$45 million needs to be subtracted from what remains in the program.

Senator BARTLETT—So ‘offset’ means it is spent? So over 10 per cent, probably 11 per cent or 12 per cent, of the program’s funding is now going into those two measures; is that right?

Ms Andrews—Yes, \$45.9 million is committed to those two measures.

Senator BARTLETT—Is that money the same as what is listed on page 64 of the blue book with the same titles? Footnote (b) adds up to almost the same—I think it is \$0.1 million or \$0.2 million extra—but is that the same amount of money?

Ms Andrews—It is.

Senator BARTLETT—So even though you have listed above that \$400 million in GGAP funding—the line above that adds up to \$400 million over five years in GGAP—you are basically repeating that underneath for those two programs?

Ms Andrews—Yes, and there is a footnote there.

Senator BARTLETT—It just says it is included in overall funding for the Australian Greenhouse Office, which I would have thought would be fairly self-evident because it is listed as part of the Australian Greenhouse Office expenditure. But that is the same money repeated twice?

Ms Andrews—It is the same money.

Senator BARTLETT—When the GGAP program was first announced, it was specifically stated that it was to support measures, particularly in rural and regional areas that assist Australia in meeting its obligation on climate change and that are likely to result in substantial reductions. Does the international policy and reporting have any positive links to rural and regional areas?

Senator Hill—It could. Rules on sinks, for example, that might come out of the international negotiations can become an inducement for investment in Australian forests—certainly in revegetation but maybe, arguably, in retention, which is one of the ongoing international debates.

Senator BARTLETT—You mentioned before some of the other programs that you have given funding for—the \$103 million—and that you had evaluated each of those programs in terms of dollars per tonne saving in emissions. What is the evaluation with these two funding

measures? How many dollars per tonne are we likely to save from domestic greenhouse policy development?

Senator Hill—I will let Ms Andrews answer that. But, in a number of instances, we believe we can get better value than the sorts of projects that are presenting themselves under the first challenge of the GGAP bids. For example, in relation to the whole area of traffic management—for which we do not have a funding source at the moment—and other diffuse source emissions, we believe we have the potential to achieve better outcomes in terms of greenhouse gas saving for any fixed investment.

Ms Andrews—I think that is the key point essentially. The experience with the first round of GGAP has shown us that that kind of incentive program is going to miss some opportunities, and they are essentially those opportunities to address emissions from very diffuse sources. Transport is one, but another one that I might mention is energy efficiency. Our funding for domestic policies in this budget will allow us to continue to pursue energy efficiency opportunities that are diffuse across the economy. They are often small on a unit basis and, therefore, they need to be aggregated significantly before they could access an incentive program like GGAP. We feel that regulation is the more effective way to address those opportunities. We have done cost-benefit analysis of regulation on minimum energy performance for appliances, for example, that indicate there is a net benefit of up to \$30 per tonne of CO₂ saved, which makes it very cost competitive with even the GGAP applications.

Senator BARTLETT—So that figure of \$30, is that some assessment or measurement you put to these particular spending measures?

Ms Andrews—That relates to work we have done on energy efficiency regulation in particular that furthering appliance regulation can lead to net benefits of that amount. We have not done that extensive work in transport, but the issue still remains that transport emissions are very dispersed and therefore it does not easily allow for individual projects to be developed to meet the GGAP criteria, because there are essentially too many players involved and the benefits that accrue usually accrue to the community as a whole and not to particular proponents, so we were not getting competitive transport applications in GGAP.

Senator BARTLETT—The \$21.7 million for international policy, and the \$6.2 million in the year coming up, which is around \$6 million a year—

Ms Andrews—That allows us to finance our participation in the international negotiations. It also supports the production of the national greenhouse gas inventory on a yearly basis and it also includes the sinks policy items. So it is the issue of developing approaches towards sinks policy and particularly helping domestic proponents to develop institutional capacity. Again, we found that sinks applications were not highly competitive in the GGAP round.

Senator BARTLETT—Can I clarify the total amount of money, going back to this book here again, of the line item for international policy—6.2, 6.1, 6 and 6?

Ms Andrews—I have to admit that those lines have been transposed. So in the blue book what is reported against international policy reporting and greenhouse sinks really should be against domestic greenhouse policy and vice versa.

Senator BARTLETT—Right. I get it. It makes it all worth while having discovered a mistake. I am not sure I can do anything with it, but anyway. With respect to that \$5.3 million, you have outlined a bit what that would be spent on. Would, say, the funds to pay for people going to the next conference in Bonn come out of this funding or would that come from somewhere else?

Ms Andrews—A good proportion of that would come out of this funding because it does support our Climate Change International teams, yes.

Senator BARTLETT—That sort of activity would have been happening, anyway. You have been sending people, the minister and so on, to COP6 and so on in the past and that has not come out of GGAP. Why is that now coming out of GGAP?

Ms Andrews—The funding program that previously supported it was the Climate Change Program, and that funding lapsed.

Senator BARTLETT—In relation to the small amounts there for the pricing review, a reduction in resourcing of \$0.7 million and \$0.6 million, can you outline in a bit more detail what the better practices are that have led to the reduction?

Ms Andrews—The process with the Department of Finance and Administration was to compare our prices of output with other prices of outputs across the Commonwealth. The conclusion out of that was that we were certainly within median in terms of our prices of output but that we could probably move a little bit more towards best practice pricing. Therefore, it was agreed between the two ministers that we would take an efficiency dividend of five per cent on our non-grant and non-administered funding. Those are the amounts that you have quoted. We propose to absorb that through efficiencies in the office itself—travel efficiencies, for example; a bit more attention to when we need to fly economy as opposed to business and how many people need to go to a conference. We will be looking at business processes to see where we can cut back. We have agreed that infrastructure programs will bear that cost and we will find the funding for it.

Senator BARTLETT—So there will not be any job losses or anything like that? Or reductions?

Ms Andrews—No, we are not forecasting any job losses.

Senator BARTLETT—I think you were here earlier when the Bureau of Meteorology was on and mentioned a slight reduction in funding from AGO for climate change research. What was the reason for that?

Ms Andrews—Yes, and we did cut back on that. It was a slight reduction—\$40,000, I think—between the two financial years. I am just looking for the piece of paper, but there was an overall reduction in the greenhouse science research program, which the previous year had been \$3.65 million and in this year is \$3.54 million. So essentially all of the research programs that we fund under that program took a small reduction as well.

Senator BARTLETT—I know we had the regulator for renewable energy before. I think we covered most of the areas that I was interested in there. They are at this stage under you but they are going to become a separate prescribed agency next financial year; is that right?

Ms Andrews—That is right. The reporting is still with the AGO simply because they are not yet a prescribed agency under the financial management act. But the accountability lies with the statutory office holder now.

Senator BARTLETT—Where is the funding for the operations of that regulator derived from at the moment?

Mr McGovern—The funding for the regulator is appropriated to the AGO and we provide it to the regulator through an MOU.

Senator BARTLETT—That is just out of your general AGO budget? It is not something else that is coming out of GGAP or any other of the schemes?

Mr McGovern—No, it comes out of our annual appropriation.

Senator BARTLETT—So once it is up as a prescribed agency in its own right there will be a direct appropriation across?

Mr McGovern—I do not think that will be the case.

Mr Harrington—The agreement is that the Office of Renewable Energy Regulator will be funded from AGO funds for the first four years and it is to be determined subsequent to that as to which funds it.

Senator BARTLETT—This may have already been covered, but you mentioned a couple of applications for use of wood waste. Is there a broader list of people who have applied for accreditation in all circumstances?

Mr Rossiter—The accreditation applications are all listed on the web site.

Senator BARTLETT—Yes.

Mr Rossiter—I have an analysis of the technologies here.

Senator BARTLETT—Is that publicly available?

Mr Rossiter—Yes, it is publicly available

Senator BARTLETT—Is that easy to get a hold of? It is on the web site, is it?

Mr Rossiter—It is at a web site which is www.rec-registry.com.

Senator BARTLETT—Have the hydro base lines been set yet?

Mr Rossiter—No, no hydro baselines except for one new power station, which is a zero baseline, as you might appreciate.

Senator BARTLETT—That was all I had on that, I think. I have a general AGO question. Was the Scoresby Freeway proposal in Melbourne referred to the AGO for advice on the fact that the EIS says there will be an increase of 18 per cent in emissions as a result of the freeway?

Ms Andrews—Not to my knowledge. We would probably have to confirm that. I am sorry, was that greenhouse emissions or emissions generally?

Senator BARTLETT—Greenhouse emissions, I understand.

Ms Andrews—I would have to go back and check as to whether we were involved with any advice on that. We do not believe it was referred to us.

Senator BARTLETT—Is that something that should use the expertise of the office and utilise all of this policy development expertise that is being funded?

Ms Andrews—We certainly do get involved in a number of assessments on major projects. When you say the increase was 18 per cent on transport emissions, I am not sure what the absolute of that would be, so I really cannot assess how important it might have been in the overall picture.

Senator BARTLETT—In relation to the Natural Gas Infrastructure Program, is it still likely that we will have 20 additional publicly accessible sites by August next year?

Ms Andrews—We have granted money for 19, I believe. Is that the appropriate time scale for construction?

Mr Harrington—Yes.

Senator BARTLETT—How many CNG vehicles does the AGO have now?

Ms Andrews—We have one. It is a very visible one.

Senator BARTLETT—Are you adding to the fleet soon?

Ms Andrews—We are looking at our transport policy. We have a number of options there. We have not quite worked out how we are going to reduce emissions from our transport use, but we will.

Senator BARTLETT—The overall work the AGO has been doing since its inception, I presume, involved greenhouse policy development, domestic and international. This \$24 million for domestic policy development, is that going to produce \$24 million worth of extra policy development over and above what would have happened? What is the extra value added outcome?

Ms Andrews—Again, that budget bid was the result of a lapse in funding, so it is a continuation of funding for activities that we have been carrying out.

Senator BARTLETT—So it will not actually lead to—I do not know how you would measure a policy outcome in terms of developed policies other than bits of paper—an extra chunk on top of it; it will basically be a continuation?

Ms Andrews—We do have a number of items in there, including in the transport area and the energy area, and it is very important that we continue our work in those areas. As to whether or not there will be quantum leaps in policy, I think that remains to be seen in terms of what we are able to develop and propose to governments.

Senator BARTLETT—I presume that policy development includes policy advice or policy suggestions to the department and to government more broadly in terms of measures that might produce significant advances in emission reductions.

Ms Andrews—Yes. We advise in the first instance the ministerial council, which involves four ministers. If the advice is aimed towards new government policy in particular, the ministerial council takes the issue to cabinet.

Senator BARTLETT—Have you produced any proposals or ideas in terms of fuel efficiency tax incentives? The greenhouse warrior, George Bush, has announced a tax incentive for petrol electric hybrid vehicles. I was wondering if similar sorts of ideas were being produced here.

Senator Hill—We have talked about it from time to time, but it is difficult to fund everything. My view has been that the take-up rate is going to depend on getting the price down, which is going to depend on getting mass into the industry, which is principally going to relate to what happens in the big economies such as Japan and the United States. It is my view that we can benefit from incentives given in the United States which will introduce, as I said, greater mass into the industry and bring prices down rather than use our money to directly subsidise purchases in Australia, which is unlikely to have any effect on having the vehicles become more mainstream.

Senator BARTLETT—I understand that the national average fuel consumption target is about 15 per cent over business as usual by 2010. Is that correct?

Ms Andrews—That is correct.

Senator BARTLETT—Why so low? We can do better than that.

Senator Hill—We have not quite got that negotiated yet, have we? We have been trying for years to get that matter concluded.

Mr Harrington—Some 15 per cent below business as usual would be about equivalent to that which has been targeted in Japan, Korea and Europe. So it would equate to that as an outcome.

Senator BARTLETT—I gather you are examining mechanisms for including four-wheel drive and light commercial vehicles into the national average fuel consumption. How is that progressing?

Mr Harrington—It is progressing well. We have commissioned an analysis of technically how that would be achieved. That is yet to be presented.

Senator BARTLETT—That will do me for now.

CHAIR—As there are no further questions in this area, I thank officers from the Australian Greenhouse Office.

[9.44 p.m.]

DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

CHAIR—Ready to proceed, Senator Bolkus, when you are.

Senator BOLKUS—Just by way of introduction, I have a whole heap of questions, as witnesses might have noticed at some stage earlier. What I would like to do is put quite a whack of them on notice.

CHAIR—I am sure we can accommodate that.

Senator BOLKUS—I thought that you might appreciate that. It is on the basis that the minister has promised fulsome replies, which I also appreciate. For instance, in approvals in the legislation division there are questions on the Honeymoon uranium mine, EPBC implementation, bats in botanic gardens, ecological communities listings, brigalow communities, species, land clearing, long-line fishing, threat abatement plan, other threatening processes and seismic testing. There are some questions with respect to the budget in this area. The questions for the environment quality division include its dioxin program—that is, dioxins in furans and food—the national advisory body on scheduled waste, MTBE and whales. If I can give those to the secretariat on the basis that we will get fulsome answers.

Before people in those areas leave, though, there is a general four-part question that I would like to go to and that is about grants. I just want to make sure that I get some comprehensive answers there. There is a lot more to go through, but as I go through what I have got here I will try to put some more questions on notice as well. We may be able to finish it, if we go a bit longer tonight. We will just make a call at about 11 o'clock, if you like, to see how we are going.

CHAIR—Thank you very much.

Senator BOLKUS—We have had the AGO answer questions about their grants programs. Can I go to the department generally and note that when the National Oceans Office people were here, I did not ask them questions about grants. I would like to do that. But, in doing that, could I also ask departmental officers to give details of all the grant programs

administered by Environment Australia other than the ones that we have mentioned already today—also, of course, other than the Natural Heritage Trust and the GVEHO program. Are there any others apart from those?

Mr Beale—Indeed there are. They are set out in our annual report at pages 328 through to 333. So there are five pages of those grants. This covers both NHT and non-NHT grants. These are the discretionary grant programs.

Senator BOLKUS—Okay. We will leave the grants to voluntary environment and heritage organisations for a moment—I suppose we could probably do that at this stage. What amount of money has been allocated to that program this current year and next year?

Mr Butterworth—The amount in 2000-01 is \$1.53 million and the figure for 2001-02 is \$1.5 million.

Senator BOLKUS—How much money was left in this program as of 1 January this year?

Mr Butterworth—The grants are made usually around the middle of the financial year. I am just not sure which side of the grant expenses 1 January was.

Senator Hill—We normally do it later in the year—later in the calendar year—and we clean it out.

Mr Beale—But he is not sure whether they were paid by 1 January.

Mr Butterworth—Which side it was.

Senator Hill—I keep getting accused of announcing them on Christmas Day.

Mr McInerney—The grants were actually announced in December but with the grants approvals and payments process, the payments were not actually made until January with the final ones probably cleared off in February. So as at 1 January no payments had actually been made, but now the whole \$1.53 million has been made.

Senator BOLKUS—Do you have details with you of those disbursements?

Mr McInerney—Who they were actually paid to?

Senator BOLKUS—Yes.

Mr McInerney—No, not with us. The details are available on the EA web site, but I do not actually have them with me.

Senator BOLKUS—Let us go this way about it.

Senator Hill—At the last estimates did we not do the GVEHO grants from the previous December?

Mr Butterworth—I do not think we did that in February.

Senator BOLKUS—We have got how much was allocated. If you could take on notice when and how the appropriation was made—I presume you say in the last budget and in this budget—how much money was left in the program as of 1 January. That means everything that was paid out of it after 1 January, I would like details of—the dates on which it was paid and what is left in the program budget for this financial year. Is there anything?

Mr Butterworth—Nothing.

Senator BOLKUS—What is the timetable for the application and assessment process for the next financial year?

Mr Butterworth—Final decisions have not been taken on that yet, but it would broadly follow the same pattern. So we would be looking to make decisions on the grants towards the middle of the financial year.

Senator BOLKUS—So when would you be advertising to follow the normal pattern?

Mr McInerney—End of June, early July.

Senator BOLKUS—And when would you be putting something to the ministerial council? About November, December?

Mr Butterworth—Maybe a bit earlier than that.

Mr McInerney—If we were going along the normal process, we would make a recommendation around about September.

Senator BOLKUS—Around September. And it goes to the ministerial council?

Mr Butterworth—To the minister.

Senator BOLKUS—Do you make recommendations or do you just make assessments?

Mr Butterworth—We give the minister a recommended pattern of grants.

Senator BOLKUS—The Environment Resource Officer Scheme; how much was left in that on 1 January this year?

Mr Beale—This is going to range across virtually all the divisions.

Senator BOLKUS—I think probably the best thing to do is that I just list the schemes: Environment Resource Officer Scheme; Local Agenda 21; International Conservation Program; information education; environment protection—actually we will go to the ad hoc grants later—air pollution in major cities; ozone ad hoc grants; Waste Management Awareness Program; Federation Fund; Federal Cultural and Heritage Program; Cultural Heritage Projects Program; grants-in-aid to the National Trust; commemoration of historic events and famous people, historic shipwrecks; indigenous protected areas; National River Health Program; National Wetlands Program; Waterwatch; Bushcare—we might just leave that for the moment—Biodiversity Convention or Strategy Program, Tasmanian Strategic Natural Heritage Program; National Reserve Systems Program; Endangered Species; National Feral Animal Control Program; National Weeds Program; Coastal Monitoring Program; Coastal and Marine Planning Program; Marine Protected Areas Program; Coastal Atlas—and we did the Antarctic. In respect of all those programs, can you tell us how much money was left in each individual program as of 1 January; disbursements made from that program from 1 January to the present; the amount of money left in that program as of the date of the answer; the budget for the next financial year; the timetable for advertising, application and assessment processes for the next financial year; who makes the decision; and what was the date of advertising, application and assessment cut-offs in the year 2000-01? That is for the discretionary programs. There are three or four ad hoc programs. I think we could probably run the same sorts of questions across those as well—so it is all those programs between 328 and 333, leaving aside for a moment Bushcare, because we will probably get to that later. Mr Beale, I have some questions in respect of the process rather than the outcome of your performance pay cycle.

Mr Beale—I do not know the outcome.

Senator BOLKUS—In relation to the last cycle of performance pay for secretaries, was a decision on your pay based on a formal written performance agreement with your minister?

Mr Beale—No.

Senator BOLKUS—What was it based on?

Mr Beale—If your recollection is better than mine, Minister, please—

Senator BOLKUS—If it was not based on a written agreement, what were the general criteria on which it was based?

Mr Beale—I indicate to the minister the issues that I think are important for the year ahead to implement the government's policies and programs and, in particular, the ones that I will focus on, and I indicate in relation to the year past my self-assessment of how we have gone as a department and what my personal contribution has been. The minister, I understand, reads and considers those. The minister has a discussion with Mr Moore-Wilton and the Public Service Commissioner—

Senator Hill—I had a discussion with you first.

Mr Beale—With me first.

Senator Hill—I discussed his self-assessment with him.

Senator BOLKUS—You were a mutual admiration society, were you?

Senator Hill—Then I received a visit from Mr Max Moore-Wilton and—

Mr Beale—The Public Service Commissioner.

Senator Hill—the Public Service Commissioner and we discussed him.

Senator BOLKUS—There was no formal written agreement, but there was an assessment that you had made on your performance and on what the priorities of the department had been and were to be?

Mr Beale—Yes, and I received some oral counselling from the minister in relation to that.

Senator BOLKUS—Before you wrote it?

Senator Hill—Feedback.

Mr Beale—No, after I had written it.

Senator BOLKUS—You basically set down the criteria in the correspondence?

Mr Beale—In setting down the criteria, I was responding to what I understood to be the government's programs, policies and priorities. I hope I have a reasonably clear understanding of those.

Senator BOLKUS—Around the mid-point of the performance circle did you and the minister discuss your performance, or was that at some other stage of the cycle?

Mr Beale—No, that was at the beginning and the end of the cycle. The minister gives me continuous improvement advice.

Senator BOLKUS—Do you listen to him?

Mr Beale—Always.

Senator BOLKUS—When did the Secretary to PM&C come into play?

Mr Beale—He discussed the matter with the minister jointly with the Public Service Commissioner. Then the secretary to the Prime Minister's department and the Public Service

Commissioner I believe jointly submit a report to the Prime Minister based on their discussion with the minister, and the Prime Minister considers that report—

Senator Hill—Taking into account the discussion.

Mr Beale—informed by that discussion with the minister, and then the Prime Minister makes a decision.

Senator BOLKUS—Before you were advised as to whether you were going to receive performance pay or not, you and the minister had a formal discussion about your performance; is that what you are telling me?

Mr Beale—That is correct.

Senator BOLKUS—And you got some oral advice?

Mr Beale—I did.

Senator BOLKUS—That was a meeting with the Secretary to PM&C?

Mr Beale—No, that was between the minister and me, a bilateral meeting. The minister then met separately with Mr Moore-Wilton and Miss Williams.

Senator BOLKUS—Did you meet with Mr Moore-Wilton?

Mr Beale—I meet with Mr Moore-Wilton very regularly.

Senator BOLKUS—Sure, but not on your performance pay?

Mr Beale—No.

Senator BOLKUS—Were you given an opportunity to discuss your performance and assessment with the Remuneration Tribunal before it made a determination on your performance pay?

Mr Beale—No.

Senator BOLKUS—Moving now to budget questions, this could take a long time, but I would rather you put this on notice. Could you provide for us a breakdown of what proportion of each of the old outputs have been allocated against each of the new outputs? We did that earlier on with one or two programs. We could spend the next few days doing it.

Mr Beale—The chief financial officer has indicated that he will ‘have a crack at it’.

Senator BOLKUS—It had better be a bloody good crack. We could be back here at length. You know what we went through earlier on—that sort of similar process.

Mr Butterworth—Yes.

Senator BOLKUS—Minister, I noticed your press statement on budget night. You say that for the second year running the Howard government has provided more than \$1 billion to the environment. Isn't it a fact that this current year funding is \$882 million, not the \$1.3 billion that you promised it was going to be?

Senator Hill—The actuals against the previous year's estimates—I think that is basically right. Much of it was made up of those programs that you debated with the greenhouse officer earlier.

Senator BOLKUS—You would have known that when you put out this press statement.

Senator Hill—Sorry, no. The fact that \$100 million from the GGAP rolled over into the coming year, et cetera—that was in relation to last year, but it is true that this year we have again budgeted for over \$1 billion.

Senator BOLKUS—You cannot have it both ways. If you say that money that has been deferred to next year should be included in this year's allocation, then next year's allocation goes down by \$84 million, and that is below \$1 billion as well.

Senator Hill—Are you suggesting that some of it is double counting there?

Senator BOLKUS—I am not suggesting it; I am stating it pretty directly. You have done a bit of double counting. At a time when you should have known that the budget was not \$1 billion you actually put out a press statement saying that it had been.

Senator Hill—The budget is over \$1 billion.

Senator BOLKUS—This current year's is not.

Senator Hill—It is.

Senator BOLKUS—You see, you promised \$1.37 billion for this financial year. You have spent \$882 million. The next financial year you are promising \$1,066.8 million. God knows what you will finish up with.

Senator Hill—This year we would not have as many new programs. So the outcomes should be much closer to the estimate.

Senator BOLKUS—You were only 20 per cent off the last time.

Senator Hill—We have discussed that already tonight.

Senator BOLKUS—Are you going to put out a correction?

Senator Hill—It is not 20 per cent, anyway.

Senator BOLKUS—What? From \$1 billion to \$880 million—sorry, 12 per cent, yes.

Senator Hill—The budget figure for 2001-02—

Senator BOLKUS—No, it is about 18 per cent.

Senator Hill—is \$1,066 million.

Senator BOLKUS—But this current year your actual expenditure is going to be \$882.1 million.

Senator Hill—Yes, but we have been saying that all day, that we did not spend as much as we had available to spend because the start-up of some very major programs took longer than we expected.

Senator BOLKUS—I think, though, that people are waking up to the fact that you actually allocate more than you intend to spend. That has been the process over the last couple of years.

Senator Hill—That is most unfair, if I might say. We may well have been—

Senator BOLKUS—So you would.

Senator Hill—I think you have got to take into account the point I made, for example, that in the GGAP program, ministerial decisions approving the first tranche, the \$100 million, were made within the end of the year but it does not fit the technical description of

expenditure because the contracts have not been settled. So I understand the political point but I think that it is a touch unfair.

Senator BOLKUS—Mr Beale, how many full-time equivalent staff in Environment Australia work on media and communications?

Mr Beale—I will need to get that answer.

Mr Woods—We have 12 professional public affairs officers employed in my branch.

Senator BOLKUS—12?

Mr Woods—12.

Senator BOLKUS—What is the budget?

Mr Woods—The total budget for the public affairs function is \$1.828 million for public affairs.

Senator BOLKUS—So you are in competition with the Greenhouse Office, are you? They are \$1.8 million, you are \$1.828 million.

Mr Woods—Sorry, I do not understand.

Senator BOLKUS—They have a media unit. You may not have been here for the Greenhouse Office earlier. Yours is the departmental media unit. That does not include the Greenhouse Office, does it?

Mr Woods—No, it does not.

Senator BOLKUS—You may want to take this—

Mr Woods—I should also perhaps add that there are public affairs officers employed in the Australian world heritage branch working in relation to the Australian Heritage Commission activities.

Senator BOLKUS—So who can give us the total figure of public affairs and media support in the department and its agencies?

Senator Hill—Across the portfolio?

Senator BOLKUS—Yes.

Senator Hill—We could work that out for you.

Senator BOLKUS—Will you take that on notice?

Mr Beale—Yes, we will take that on notice.

Senator BOLKUS—And if you do that, let us know the last three years total expenditure, numbers of staff and payments for external accountants/consultants, the purpose of those consultants, including media monitoring—when, who, at what cost? Is there any advertising plan for 2001-02? Is there a media strategy or a communications plan strategy plan for the forthcoming financial year?

Mr Woods—There is no coordinated departmental media plan. We stopped preparing portfolio information plans two or three years ago. There are various activities that are planned out of my branch but we do not prepare a coordinated plan across the department.

Senator BOLKUS—What have you got planned for this year?

Mr Woods—We look after things like the NHT communications activities.

Senator BOLKUS—So what have you got planned there?

Mr Woods—There is no plan that has been finalised for the coming year.

Senator BOLKUS—Is there one that is being considered?

Mr Woods—One has not been finalised as yet for the coming year. I believe there is a meeting of the ministerial board coming up at which I think a plan may be presented, but at this stage there is no plan that has been finalised.

Senator BOLKUS—So are you developing one?

Mr Woods—In conjunction with the NHT public relations manager, yes.

Senator BOLKUS—What is the timing of that one?

Mr Woods—Timing in terms of the overall plan or the preparation of the plan?

Senator BOLKUS—The overall implementation of the plan.

Mr Woods—It would go right through 2001-02.

Senator BOLKUS—Are you considering an electronic media campaign of any sort?

Mr Woods—There will probably be a public information campaign based on TV advertising.

Senator BOLKUS—There will probably be? In respect of the NHT?

Mr Woods—In respect of the NHT. There is a campaign running at the moment involving TV advertisements for the Natural Heritage Trust.

Senator BOLKUS—But we expect a new one, do we? We do not expect a continuation of this one?

Mr Woods—This will be continuing. The current campaign is due to go until September-October, but there has been no decision at this time to go beyond that.

Senator BOLKUS—What budget do you have for the existing campaign?

Mr Woods—The existing campaign has a budget of \$2 million.

Senator BOLKUS—So when you said to me you have a budget of \$1.828 million, that is for your own media unit staff; it does not cover—

Mr Woods—And for a variety of corporate activities, involving things like the publication of the department's annual report.

Senator BOLKUS—Okay. But on top of that, you are planning a \$2 million campaign to promote the NHT?

Mr Woods—Not planning; that campaign is already in existence.

Senator BOLKUS—So there will be \$2 million spent on that for the forthcoming financial year?

Mr Woods—At this stage, yes.

Senator BOLKUS—And you are considering another campaign on top of that?

Mr Woods—We are not at this stage. The TV advertisements have been running at the time of the calling of applications and close to the deadline for applications for NHT funding. So, subject to ministerial board approval, there may be a continuation of the TV advertisements, but that has not been decided at this point.

Senator BOLKUS—So that is the only campaign up for consideration in respect of NHT—a continuation of the existing campaign?

Mr Woods—There may be other activities involved in the promotion of the NHT.

Senator BOLKUS—But you are not considering any at the moment?

Mr Woods—The plan for next year is still in the process of being developed.

Senator BOLKUS—Sure, but the question was: are you considering any campaign over and above a continuation of the existing campaign?

Mr Woods—I think that consideration will be given to a continuation of the TV advertisements. As I said, in previous years the TV advertisements have been run in conjunction with the calling of applications and getting close to the deadline for applications.

Senator BOLKUS—So when is that for the NHT?

Mr Woods—Sorry?

Senator BOLKUS—When will that be for the NHT?

Mr Woods—Based on previous experience, I think the applications this year closed around 28 February, but I am not—

Senator BOLKUS—28 February this year?

Mr Woods—I think so.

Senator BOLKUS—We will get to the NHT campaign later on; we might need you around for that. Apart from the NHT, what other communications campaigns or advertising campaigns are being considered?

Mr Woods—Within my branch, we are aware that there will be a communication plan for the state of the environment report, which is due to be completed towards the end of this year.

Senator BOLKUS—When is that? August? When did you say that was?

Mr Woods—I think the report is due to be provided to the minister by the end of the year.

Mr Beale—The last one came out, as I recall, in about April-May 1996?

Senator Hill—I think it is October it is due.

Senator BOLKUS—What are you considering with a communications campaign around that?

Mr Woods—Just a variety of activities that would promote the outcome of the report. It has not been finalised at this stage. The state of the environment advisory committee is involved in that process.

Senator BOLKUS—So there is that. Is there anything else?

Mr Woods—The other things that we would normally get involved with directly include things like the promotion of World Environment Day on an annual basis. There will obviously be work in relation to the salinity and water quality plan. However, those activities are very much in their development phase. We are working in conjunction with AFFA in conjunction with those.

Senator BOLKUS—So are you considering a communications-advertising campaign in respect of the salinity plan?

Mr Woods—I do not think we are in a position to say that at this stage.

Senator BOLKUS—What about you, Minister; are you considering one?

Senator Hill—There will be a communications component to the national action plan. The national action plan is, of course, a cooperative deal between the Commonwealth and the states. I do not know who is working on it.

Mr Beale—There are currently discussions occurring between Commonwealth and state officials on a communications strategy for the plan at national, regional and local levels. That is being coordinated primarily through AFFA, as Mr Woods said, although we have a joint AFFA-EA team. It is very much part and parcel of rolling out the program, because community involvement and development capacity building are going to be a key part of making the program work.

Senator BOLKUS—So you have got salinity and you have got the state of the environment. What else?

Mr Woods—That is really about it, as far as my branch is concerned. The way in which we operate is that I have a budget for the employment of public affairs professionals and for the production of various corporate publications and some specific things for which we are responsible. The rest of the money for public relations and communications campaigns is held by the various program areas.

Senator BOLKUS—Mr Beale, perhaps you can take this on notice and come back to us with information as to any area of the department and its agencies that may be considering an advertising campaign.

Mr Beale—Any media?

Senator BOLKUS—Any media, including any where plans are not finalised but which you are considering.

Mr Beale—Does that include statutory notices?

Senator BOLKUS—No. I turn to the Banksia environment awards. Did the department contribute anything to the presentation night?

Mr Woods—Yes, we did. The Commonwealth provided sponsorship for the Banksia awards in particular in relation to the Prime Minister's award for environmentalist of the year. The amount involved was \$100,000.

Senator BOLKUS—That was the full extent of the department's contribution?

Mr Woods—That was. There may have been some in-kind support during the organisation. But essentially the financial contribution was \$100,000.

Senator BOLKUS—You did not in any direct or indirect way contribute to the fee for the host, did you?

Mr Woods—Sorry, Senator?

Senator BOLKUS—The fee for the host?

Mr Woods—The fee for the host?

Senator BOLKUS—Mr Russell Mark?

Mr Woods—No, not directly. As I say, our contribution was to support the awards generally but in particular the costs associated with the Prime Minister's award.

Senator BOLKUS—I have some questions in respect of Rio plus 10, which I think can probably best go on notice. I am also hoping to ask some questions on southern bluefin tuna. We have had a ban on Japanese fishing boat access to Australian ports. I suppose my question is: was it not premature to lift that ban? Japan still has not agreed to the total allowable catch for southern bluefin tuna.

Senator Hill—Sorry, I was looking at something else.

Senator BOLKUS—For southern bluefin tuna you have lifted the ban on port access for the Japanese. They still have not agreed to a total allowable catch. Why would it not be deemed premature to lift that ban on port access?

Senator Hill—Mr Kay can give you the detail, but basically the issue of the additional take was resolved—the experimental take, as I understand it.

Senator BOLKUS—Was resolved by Australia agreeing to Japan having an additional 356 tonnes of tuna?

Senator Hill—That is not quite right, either. That was in relation to a past—what do you call it; what is your jargon.

Mr Kay—Experimental fishing program.

Senator Hill—There is another word. Anyway, you explain it. You are fresh to the table.

Mr Kay—Thank you, Minister. In response to the tuna dispute with Japan, the conditions under which Australia chose to settle that dispute were outlined in a media release by the responsible minister. I am not sure—

Senator BOLKUS—Who was that? Mr Downer?

Mr Kay—Pardon?

Senator BOLKUS—Who was the responsible minister in this case? Mr Downer or Senator Hill?

Mr Kay—I think Mr Tuckey made the ministerial release. I do not think I have anything to add to that. I do not have a copy of the media release with me. But it was the conclusion, as you would realise, of a long-running dispute.

Senator BOLKUS—A long-running dispute between Australia and Japan. We did have resistance to extending the allowable catch. Don't we have a fundamental change of direction here now?

Senator Hill—As I understand it, we have not agreed to an experimental take beyond the tack for the future. That was the principal objective. Then there was this issue of what Japan had seen as a previous loss of quota. That is what I am trying to explain. They have been disputing over that historical figure.

Mr Kay—A payback.

Senator Hill—A payback. Can you explain the payback? That is the word I was after. And in the end it was settled on fifty-fifty.

Mr Kay—It stemmed from Japan's unilateral experimental fishing program two years ago. The initial orders issued by the International Tribunal on the Law of the Sea were that Japan should repay the volume of fish it took in that experimental program over a two-year period and reduce its take below that which it is allocated through the Commission on the Conservation of Southern Bluefin Tuna.

Senator BOLKUS—Sorry, I missed that last bit, Mr Kay?

Mr Kay—Commission on the Conservation of Southern Bluefin Tuna. Following the conclusion by ITLOS, the International Tribunal on the Law of the Sea, that it did not in fact have jurisdiction to hear the case, there has been a difference of opinion between Japan and Australia as to whether, with respect to that catch that Japan repaid in compliance with the interim orders, Japan had a right to again take that volume of fish. I do not believe that particular issue has really been finally settled. That has been put to one side in the conclusion of the dispute.

Senator BOLKUS—Which issue? The payback?

Mr Kay—Yes.

Senator BOLKUS—When you say it has been put to one side, how does it get reactivated?

Mr Kay—It is a matter on which Australia and Japan continue to differ. I would have to go and look at the media statement before I commented further.

Senator BOLKUS—So what funds are currently being directed to progressing the scientific research program for the tuna?

Mr Kay—I think you would have to ask that of the Agriculture, Fisheries and Forestry portfolio.

Senator BOLKUS—Has Japan made approaches to the government seeking to regain access to Australia's waters to fish for southern bluefin tuna?

Mr Kay—I think again you would have to ask—

Senator BOLKUS—You do not know?

Mr Kay—I am not able to answer that.

Senator BOLKUS—Does the minister know?

Senator Hill—I do not know the answer to that.

[10.24 p.m.]

Australian and World Heritage Division

Senator BOLKUS—I turn to the Australia and World Heritage Division. The budget papers show world heritage international obligations as \$1.3 million. What is that being spent on?

Mr Keffe—We have not got detailed plans for the expenditure in 2001-02 yet. I will take it on notice.

Senator BOLKUS—Taking into account that answer, how much of it do you anticipate might be spent on the processes and meetings related to Jabiluka?

Mr Keffe—Could you repeat the question?

Senator BOLKUS—How much of that \$1.3 million might we expect to be spent on preparing documentation and attending processes related to Jabiluka?

Mr Keffe—I would say a very small amount of that, but I will take it on notice.

Senator BOLKUS—A very small amount? Take that on notice, yes. We have some nominations that are already completed—Sydney Opera House, convict sites. What is the current state of play in respect of those nominations?

Mr Keeffe—In relation to the Sydney Opera House there are discussions continuing with the New South Wales government at officials level, encouraging them to go forward with a process for finalising their conditions on developing the nomination to a stage where its management arrangements are approved sufficient for it to go forward as a nomination to the committee. In relation to convicts, there are discussions going forward with the states and territories towards a financial agreement and a management agreement across all of the properties sufficient to enable it to go forward with the nomination.

Senator BOLKUS—Quite a few years ago CSIRO, I think, completed a study on the natural values of Purnululu and found them clearly of world heritage value. Are those cultural values still being assessed? What is the state of play with that potential nomination?

Mr Keeffe—The CSIRO evaluation found that there was potential, depending on the area to be nominated, for Purnululu to be put forward as a nomination. The West Australian government is currently considering ways of defining the area. There is an agreement that they would proceed with assessing and looking further at the cultural values, dependent on the agreement of traditional owners.

Senator BOLKUS—You have a budget allocation of \$1.2 million for world heritage nominations. On notice, can I get a breakdown of that?

Mr Keeffe—Yes.

Senator BOLKUS—World heritage enhancement, \$2.8 million: what do you intend to spend that money on?

Mr Keeffe—Again, I would take that on notice.

Senator BOLKUS—World heritage management has dropped from \$15.7 million to \$15 million. Can you give us some idea as to where that \$0.7 million will be cut back from, on notice. Now, we have a bit of a problem, I suppose, with the wet tropics chair, who is claiming that he will resign if wet tropics is not provided with more funds. How are we responding to that request?

Mr Keeffe—The allocation of funds for world heritage management is through the NHT program. It is a competitive basis across all world heritage areas. Tasmania has a different arrangement, with a special purpose payment of \$5 million there. It is on the quality of the applications in each area and how it advances the world heritage convention in relation to protection, conservation and transmission of the world heritage values. Wet Tropics, therefore, is considered, along with all other properties, for allocation of funds.

Senator BOLKUS—Minister, on 4 April in the Senate you answered a question in respect of Kakadu indigenous communities and you said that these communities have benefited from Commonwealth imposed initiatives. Are you aware that, of the 20 new participants in the hospitality traineeship program to which you referred in the answer, there is not a single person from the local Kakadu community?

Senator Hill—I have heard that debate. I think I asked Mr Keeffe to find out the facts. We are lucky to have Mr Keeffe here today. We might all learn at the one time.

Senator BOLKUS—Did you speak to Mr Keeffe before you gave the answer in the Senate?

Mr Keeffe—The answer to the Senate was correct. Then there was—

Senator BOLKUS—It was a great initiative for the locals if none of them are being employed under it.

Senator Hill—But, Senator, as you know, Kakadu and the Jabiru area have grown. The numbers of local residents have grown considerably in recent years.

Senator BOLKUS—So you have more to choose from, but you have chosen no-one.

Senator Hill—It has become something of a magnet. You then get into definitional issues that are far too complex for me in how individuals should be described in terms of their particular community affiliations—clan groups, family groups and the like.

Senator BOLKUS—So what are you saying, Minister? As Mr Beale said, it is not appropriate in a job promotion program and a training program to start picking and choosing individuals on the basis of which clan group they belong to. Having said that, there may be something Mr Keeffe is prepared to add.

Mr Keeffe—The chairman of KRSIS, ex-senator Bob Collins, was heavily involved with promoting the traineeship program in Kakadu. A great deal of effort was made to find people in the Jabiru community who primarily identified with the local indigenous population. There were none of them who actually applied for those positions at that time, but I understand that there are moves that former Senator Collins is arranging to further encourage local community indigenous participation. However, the other indigenous participants—a large proportion of them—were from the local community and population, although not descendants necessarily of the particular traditional groups.

Senator BOLKUS—So last year we get two out of 20 and this year we cannot find any, and you are telling me I have to have faith in Bob Collins looking around to find someone?

Senator Hill—No, we are providing training and job opportunities for indigenous people who are living in the vicinity.

Senator BOLKUS—But it is important to get the locals involved in this, isn't it?

Senator Hill—But they are locals. They have moved in.

Senator BOLKUS—They have moved in.

Senator Hill—What you are advocating is that we should discriminate against them.

Senator BOLKUS—On that basis, the people of Woomera would be local, too—the ones who have moved in. We are actually talking about long-term traditional connections with the land here, and they are not getting access to this.

Senator Hill—That is absolutely wrong. They all have access to it.

Senator BOLKUS—Well, they are not being employed under it.

Senator Hill—If they do not want to do it, how do you suggest we persuade them?

Senator BOLKUS—Well, Minister—

Senator Hill—I would have thought you would applaud a program that provided the opportunity for training and jobs for indigenous people in the Jabiru area.

Senator BOLKUS—I would applaud it if some of those with a traditional connection to that land were involved in it. I do not know what you have done or what people have done to try and involve them and incorporate them in the program, but two out of 40 over two years is

not a good track record, I would suggest to you. Minister, in the same vein, you referred to investment in indigenous education at Jabiru. There are claims that some \$600,000 had been invested in such education, but are you aware that not a single dollar of that \$600,000 has been spent?

Senator Hill—We found funding to provide for an indigenous education unit in the local school. Then there was a major debate among the indigenous people as to how it should be spent. Added to that there were different views from the new headmistress. Mr Keffe again was dispatched to Jabiru to sort it out.

Mr Keffe—There is now community agreement between all of the Aboriginal organisations—including the Gundjehemi Aboriginal Corporation, and the Djabulukgu Association—along with the community Aboriginal Student Support and Parental Awareness Program, the school council of Jabiru and the school principal on the model that they seek to have utilised. There is agreement in principle with the Northern Territory Department of Education for delivery of that Aboriginal education unit, and the deed of grant is close to finalisation.

Senator BOLKUS—What was the problem with the previous headmistress?

Mr Keffe—The previous headmistress?

Senator BOLKUS—I think the minister referred to some problems. Was it the same headmistress?

Mr Keffe—No, there was a change. The ‘new principal of the school’ is the term that they use. The change in principal led to an approach from the Jabiru area school for a new model of education, the construction of an Aboriginal education unit within the domain of the school and the utilisation of under-utilised space there. This was a different model from the approach that was recommended by Murray Garde through the KRSIS approach that Bob Collins chaired. A community meeting last week resolved those differences, and now there is a consensus between the school and the community on how the needs of indigenous children—particularly focusing on the descendants of traditional people connected with that country—can be provided with language and culture programs.

Senator BOLKUS—I turn now to cane toads. What have we got in place to control cane toads advancing on the park?

Mr Keffe—That is a question for Parks Australia North.

Senator BARTLETT—In relation to the wet tropics, are you aware of the cassowary recovery plan?

Mr Keffe—Yes, I am.

Senator BARTLETT—Have you got details of the budget involved in that—that is, basically how much over how long?

Mr Keffe—I can take that on notice.

Senator BARTLETT—Thank you.

Senator Hill—The answer is that nobody yet has found a way to stop the cane toad. They spent 13 years of the Labor government marching towards Kakadu.

Senator BOLKUS—Mr Cochrane, what do we have in place? Nothing can work in the eyes of the minister, and that may very well be the case.

Senator Hill—We have a research program.

Mr Cochrane—Practically speaking, there is little that we can do to prevent them in the long run moving through Kakadu. We are doing our best through active surveillance and the removal of hitchhikers and early arrivals that we find, and we are dispatching them. But, given their fecundity and the capacity of eggs and small toadlets to move rapidly through the river systems there, there is no practical way that we can filter them out without having some very significant impact on other species there and at exorbitant cost.

Senator BOLKUS—Are we looking at listing them as a declared pest, for instance?

Mr Beale—The relevant consideration would be as a ‘key threatening process’ under the endangered species provisions. Scientifically, the advice we have had is that cane toads have not yet led to the extinction of any species, even though they have very severe impacts on populations for a period of time, and that therefore they cannot be considered to be a key threatening process.

Senator Hill—I have never accepted that.

Mr Beale—But the minister has never agreed with that.

Senator Hill—That is very academic.

Senator BOLKUS—Do we have a budget to try to combat them at all?

Mr Cochrane—We are undertaking a range of actions. Most of them have been awareness raising with Aboriginal communities and with the tourism industry in particular. I would have to take on notice how much money we have spent exactly on that. But over a number of years we have been ensuring that people can recognise cane toads and that we are aware of where they are likely to come in and where they have made incursions in the park. Also, we are doing our best to be vigilant and removing any of those that are in advance of the major front that is moving through.

Senator BOLKUS—In terms of mitigating the impact they might have on the areas there, there is nothing we can do at this stage. Is that what you are saying?

Mr Cochrane—There is very little we can do once they actually move into an area, to the best of our knowledge.

Senator BOLKUS—Moving back to the new heritage legislation, have the criteria been established for the listing of places on the proposed national heritage list?

Mr Leaver—Draft criteria have been worked up over the last three years, and so an advance draft has been prepared through a public consultation process.

Senator BOLKUS—That is available publicly, obviously?

Mr Leaver—The earlier drafts were certainly publicly available, but the final draft has now been submitted to the minister for his consideration.

Senator BOLKUS—How many places do you anticipate will be on the new list if it gets through parliament?

Mr Leaver—In relation to the places of national heritage significance, there will be none. It will start as a blank sheet of paper and go through a public nomination and assessment process, and it will be progressively built up over the years. The new legislation also provides for Commonwealth heritage places that can be transferred from the Register of National

Estate within the first six months of the commencement of the act. On a rough assessment, there will be something like 600 places that would be suitable for transfer.

Senator BOLKUS—So the criteria have been established for listing of Commonwealth places?

Mr Leaver—Yes, the draft criteria have been worked up over the last three years.

Senator BOLKUS—They are before ministers now, or have they been published?

Mr Leaver—No, they are before the minister.

Senator BOLKUS—You have said that there would be none on the new list, but let us look forward five years or so. What would you imagine we might have on a new list—

Mr Leaver—It is purely speculation, but one would expect that one could deal with half a dozen a year.

Senator BOLKUS—Will there be public consultation on the proposed criteria?

Mr Leaver—There has been over the last three years.

Senator BOLKUS—Just as an indication, for instance—my coming from Adelaide—would the Adelaide Parklands by any stretch of the imagination qualify for the new list?

Senator Hill—The legislation has not even been debated in the Senate yet. I think it is very speculative to talk about its application in practice.

Senator BOLKUS—You cannot legislate without looking at its application, can you?

Senator Hill—You can look at the scheme and see what it is all about, and you will find that with listing comes significant Commonwealth responsibility. So it is not going to be a case of listing everything that comes along. These are supposed to be places that are really of outstanding national significance—and so much so that the Commonwealth accepts an ultimate responsibility for their conservation.

Senator BOLKUS—I have had a look at that, and I have come to the conclusion that the Adelaide parklands would not qualify on the new list. I would not be far off, would I?

Senator Hill—I do not know why you have reached that conclusion. If you would facilitate the passage of the legislation, then you would get closer to learning whether you were right or wrong.

Senator BOLKUS—No, Minister. You see, I do not want to walk into this blindly, like you might be suggesting that we do.

Senator Hill—There has been a debate in the five years that I have been in this job. You might remember that the idea was initiated by the Australian Heritage Commission—that we are recognising the inadequacies in the existing system. We have had discussion papers and public consultation and draft bills and Senate inquiries. If you are coming blind to this issue, Senator, then you have clearly closed your eyes for the last five years.

Senator BOLKUS—Minister, you are asking us to pass the legislation then live with the consequences. I am using Adelaide parklands as an example because obviously it is something I am close to. But I have looked at the criteria. Maybe Mr Leaver could help us here. I just cannot see how, under your new criteria, the Adelaide parklands would qualify. Mr Leaver may be able to dissuade me from that.

Mr Leaver—We have been very careful, through the public discussion process, not to make any suppositions about the likelihood or otherwise of any place and its entry. The point we have emphasised is that there will be thresholds established and there will be a very public process, firstly of nomination and, secondly, of independent expert advice as to whether those thresholds have been achieved by any particular property. So whether the Adelaide parklands succeed in crossing the threshold of national heritage significance will be very much a result of that public process.

Senator BOLKUS—Have any approaches been made to state governments about their willingness to enter into bilateral agreements for the assessment of actions that significantly affect national heritage in the future?

Mr Leaver—No, not in regard to national heritage places.

Senator BOLKUS—I presume, in that context, that the government has no intention to provide financial assistance to the states for them to improve their state regimes, given that many properties will have to go on state lists after they drop off the federal list.

Senator Hill—The whole concept is that the states meet their responsibility and the Commonwealth meets its.

Senator BOLKUS—In terms of ATSI heritage—and you can take this on notice—can you provide a table of annual funding for indigenous cultural heritage from 1998 to the present?

Senator Hill—Through the Australian Heritage Commission, their identification and conservation and listing processes, et cetera, in relation to indigenous heritage?

Senator BOLKUS—Yes.

Senator Hill—Yes, we can do that.

Senator BOLKUS—Moving to the chair of the world bureau, Mr Peter King—Minister, when do you say that Mr King will retire from the position?

Senator Hill—When does he retire?

Senator BOLKUS—He is a preselected Liberal candidate. You have obviously deemed fit that he should stay on as long as possible. You rejected calls for his removal. When do you think is the appropriate time for Mr King to stand down?

Senator Hill—Australia holds the position for 12 months. His role—

Senator BOLKUS—Is he here?

Senator Hill—Is he in this room?

Senator BOLKUS—No, is he in the building?

Senator Hill—Not that I know of. The bureau meeting to be held in July, which he will chair, is a major function. He has a formal role at the next meeting of the committee, which meets in October.

Senator BOLKUS—So you think it is appropriate for Mr King to hang onto this position regardless of when the election might take place?

Senator Hill—That depends on when the election might take place. But at the moment there is no election. He is in the job. I thought he did a very good job up in Cairns.

Senator BOLKUS—That is debatable, of course. That is all I have.

Committee adjourned at 10.49 p.m.