## ECONOMICS LEGISLATION COMMITTEE

## QUESTIONS ON NOTICE – SUPPLEMENTARY BUDGET ESTIMATES – 20-21 October 2010

## RESOURCES, ENERGY AND TOURISM PORTFOLIO

Q No.	Division	Senator	Broad Topic	Question	Proof Hansard Page & Hearing Date or Written Q	Date Answered	Date Tabled
SR1	DRET - Resources	Ludlam – transferred from Defence	British Nuclear Tests in South Australia	<ol> <li>British Nuclear Tests in South Australia</li> <li>The Totem tests occurred at Emu Fields on 15 and 27 October 1953. Is it the case that ordinance, planes, clothing and earthmoving equipment, and other debris from the tests were sent back to Woomera for decontamination and disposal?</li> <li>Where is the disposal site?</li> <li>Are there dump sites at the Amberley Air Base for ordinance, planes and clothing that were sent there for decontamination and disposal following all the major trials?</li> </ol>	Written	08/12/2010	10/02/2011
SR2	DRET – Resources	Senator Brandis	Data on minerals production levels and volume	Ms Constable—Discussions were held between companies and the Treasury portfolio and ministers. Information was provided to them about production levels and volumes in relation to iron ore and coal. That is as much information as I have.  Senator BRANDIS—That information, of the character you described, was provided to government by respectively BHP Billiton, Xstrata and Rio Tinto, was it?  Ms Constable—Information was provided by those companies, yes.  Senator BRANDIS—The government has declined to publish the price and volume assumptions on which the modelling was based. I ask that that data be provided to the committee please, Mr Clarke.  Senator Sherry—We will take it on notice.	E81 20/10/2010	08/12/2010	10/02/2011
SR3	DRET – Resources	Senator Ludlam	Proposed NT radioactive waste dump – consultation	<b>Senator LUDLAM</b> —No, the traditional owners who dissent, the traditional owners who do not want the stuff dumped up there. Has he met with them?	E87 20/10/2010	08/12/2010	10/02/2011

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			with traditional owners	Mr Davoren—As far as I am aware, he has not consulted those people, but if you need information— Senator LUDLAM—Sorry? Mr Davoren—As far as I am aware, he has not consulted those people, but if you want information on who the minister has consulted, I think you had best direct that to him. Senator Sherry—I will take that on notice. Senator LUDLAM—If you could, Minister. These folk have been phoning, they have been writing letters, they visited his office a couple of times, they visited here in the House and they have invited him on a number of occasions to meet with him in Tennant or somewhere close to there, or anywhere actually, over a period of about five years. If you can respond with any indication at all that the minister has even once taken the slightest interest in those invitations that would be great. Senator Sherry—I can only take it on notice. Senator LUDLAM—That is okay. I understand. Thanks, Chair. That is all I have got.			
SR4	DRET – Resources	Senator Pratt	WA response to NOPSA inquiry	Senator PRATT—I have another question on a different topic. It is with regard to the offshore petroleum safety regulatory inquiry reports. One is entitled Offshore petroleum safety regulation: better practice and the effectiveness of the National Offshore Petroleum Safety Authority, NOPSA; the other is Offshore petroleum safety regulation: marine issues and the 2008 review of NOPSA's operational activities. What steps are being undertaken to implement recommendations in these reports, both in terms of what NOPSA is doing and indeed the department?  Mr Squire—The minister released his final response to those various reports at the South East Asian Australia Offshore Conference on 23 September. There are a significant number of those recommendations which relate to the National Offshore Petroleum Safety Authority, or NOPSA. NOPSA has provided the minister some advice in terms of how it intends to respond to those particular recommendations. NOPSA is due to report to the minister	E88 20/10/2010	08/12/2010	10/02/2011

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				by the end of this year on progress in implementing those recommendations.  Senator PRATT—You received responses to the government's draft response, as I understand it. I am interested to know where the Western Australian Department of Mines and Petroleum is up to.  Mr Squire—I am sorry, Senator. I do not quite follow your question.  Senator PRATT—I am interested in the nature of their response, but you are welcome to take that on notice. As I understand it, NOPSA has said that there are about 28 matters related to the authority that it is responsible for and that it is going to report progress at the end of this year; is that correct?  Mr Squire—That is correct.			
SR5	Geoscience Australia	Senator Bushby	Exploration of Geological Basins	Dr Pigram—We have not examined all of those basins and a number of them we are working on, and part of our task is to examine the potential in the frontier basins of Australia with a view to attracting exploration activity to test that potential.  Senator BUSHBY—You say you have not examined or assessed all of them. Have you assessed any of them?  Dr Pigram—We have not examined all 38. We are in the process of examining some of them.  Senator BUSHBY—So beyond the 12 that are currently producing gas, are any of those 38 ones that you have actually assessed to your satisfaction at this point?  Dr Pigram—We think some of them have potential and they are part of the acreage release program and they have attracted exploration investment. So there is a process underway to test that potential.  Senator BUSHBY—I want to get a sense of potentially what is out there. If you have looked at 10, did you find that five of them looked pretty good or did you find eight or two? Of those 38 that are not currently producing, how many have you actually looked at in more detail? Of those, in how many did you find a high degree of prospectivity?  Dr Pigram—Can I take it on notice and I will provide you with a more detailed explanation of where we have been and where we think	E90 20/10/2010	8/12/2010	10/02/2011

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				the potential is?  Senator BUSHBY—Okay; thank you. You also note from the same report that by area less than a quarter of Australia's onshore and offshore basins have received exploration activity. In respect of the quarter that have, what prospect exists for those basins to produce oil and gas?  Dr Pigram—I will take it on notice again and provide you with a detailed answer.			
SR6	Geoscience Australia	Senator Bushby	Exploration of Sorrell Basin (Tasmania)	Senator BUSHBY—Just a final question from the perspective of a Tasmanian senator. With regard to the Sorrell Basin, is that one that is being looked at at all by you?  Dr Pigram—It has.  Senator BUSHBY—It has been looked at?  Dr Pigram—It has been looked at.  Senator BUSHBY—What did you decide in terms of its prospectivity?  Dr Pigram—It has been subject to the acreage release process that has been put into the system and put in front of companies as a potential site for a future—  Senator BUSHBY—Is there any interest?  Dr Pigram—I would have to take that on notice, Senator, if I could. I could tell you the outcome of that process.  Senator BUSHBY—Good. Thank you.	E91 20/10/2010	8/12/2010	10/02/2011
SR7	Tourism Australia	Senator Bushby	TA expenditure reduction	Senator BUSHBY—In BR31, TA notes that expenditure on other domestic activity will fall from \$1.5 million in 2009-10 to \$0.5 million in 2010-11. Can you tell me what activities that covers and what activities will be cut to explain that million dollar reduction?  Mr McEvoy—We will take that on notice.	E97 20/10/2010	8/12/2010	10/02/2011
SR8	Tourism Australia	Senator Bushby	TA – Covering \$9 million shortfall	<b>Senator BUSHBY</b> —In June I was asking about how you were going to cover for the \$9 million this year that was brought forward from last year. You indicated that some of those private partnerships were	E97-E98 20/10/2010	8/12/2010	

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				raising enough money and you were fairly confident that they would cover that \$9 million but you had not got there yet. Have you got there now?  Mr McEvoy—There are two things that have perhaps worked in our favour. One is that a strong dollar actually works well when you are buying in foreign markets. We have been able to buy better offshore in foreign currencies because our dollar has gone further. That has helped make up that. The second one is to your point that the campaign is working well and a lot more partners have joined up, either directly or indirectly. So I would say that there is as much, if not more, noise being made about Australia now than there was—Senator BUSHBY—Will you have the same degree of funding? Will you make up the full \$9 million shortfall?  Mr McEvoy—I think we do pretty much in currency. Senator BUSHBY—You thought you would in June but you did not. Mr McEvoy—I am pretty confident that we have. Senator BUSHBY—Could you take that on notice and confirm that? Mr McEvoy—Absolutely.			
SR9	Tourism Australia	Senator Fifield	Australian Tourism Directions conference	Senator FIFIELD—Mr McEvoy, I have some questions about the Australian Tourism Directions conference, which I think is scheduled for 15 November—in this building, I think. Are you able to tell me what the budget is for the conference?  Mr McEvoy—It is about \$120,000.  Senator FIFIELD—Okay. I notice that you have some good speakers there—Professor Ian Harper, who is always good value.  Senator Sherry—Who is he?  Senator FIFIELD—He has held some interesting and important roles in the public sector.  Senator Sherry—I have heard of him and of his background.  Senator FIFIELD—Indeed, he is a good person and also Mr Christopher Sanderson, who is the co-founder of the Future Laboratory, which is responsible for delivering consumer insight, trend forecasting and brand strategy to a client list that includes American Express, the New Yorker, Veuve Clicquot, the Gap, Nokia	E98-E99 20/10/2010	8/12/2010	10/02/2011

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				and British Vogue. He sounds like another very interesting chap. I was just wondering what the budget is that has been allocated for the costs associated with the travel, the accommodation and the fees for Mr Sanderson.  Mr McEvoy—Sure. We will take it on notice. I could not give you the exact numbers now.  Senator FIFIELD—It is not something that you have to hand?  Mr McEvoy—Not at top of mind, no.  Senator FIFIELD—Okay. Is there one of your colleagues there who could just have a ballpark stab of what percentage of the \$120,000 is allocated for speakers' fees and costs?  Mr McEvoy—Sorry; I will just have to take it on notice. I do not have the numbers in front of me.  Senator FIFIELD—Okay. If you could that would be good. I am just wondering if there was any consideration given to bringing an Australian based expert on consumer insight, trend forecasting and brand strategy to the conference.  Mr McEvoy—There were certainly a number of speakers considered, including Australian based speakers, and through a mix of timing and all sorts of things the committee settled on Chris Sanderson from the Future Laboratory.  Senator FIFIELD—If you do not know, could you also take on notice the costs associated for the travel, accommodation and other fees for other presenters? I think Ellen Fanning is going to be moderating the session.  Mr McEvoy—Correct.  Senator FIFIELD—So if you could also take that on notice as well.			
SR10	Tourism Australia	Senator Birmingham	Investment in Tourism Marketing	Senator BIRMINGHAM—As we have passed through the budget rounds for all of the states, have the states maintained their investment or improved their investment in tourism marketing activities and particularly, of course, in domestic tourism marketing? Mr McEvoy—It varies. I would have to take on notice to have a look if you want an exact answer to that, but it varies. By and large, I think they have pretty much maintained their overall budgetary effort. How	E102 20/10/2010	8/12/2010	10/02/2011

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				they use that either domestically or internationally I would not know but, by and large, I think it has been maintained. The growth for us has come in inbound this year. We have had about a five or six per cent growth in inbound. So that has been the good news for the Australian tourism sector.			
SR11	Tourism Australia	Senator Birmingham	Business Events Sector – Inbound Tourism	Senator BIRMINGHAM—Is the business events sector feeding into the growth in inbound tourism that the industry has enjoyed?  Mr McEvoy—It has been a good story. They were most affected last year. There was more than a 20 per cent decline in business event visitors last year. As you would understand, with the global financial crisis, business events, corporate meetings and incentives were some of the first things cut by corporates. This year we are seeing a return to growth. The latest figures show—and I am not sure we have got them—14 to 16 per cent growth in business event visitors this year. Certainly, that industry is feeling more buoyant. The corporates globally are looking to reward both employees and contractors a lot more again in the incentives area and are holding their corporate meetings offshore again. We have seen a return in the business events sector.  Senator BIRMINGHAM—The dollar does not help you so much in terms of making up in program budget lines 1.1 and 1.2. Have you had to take cuts to programs in either of those areas?  Mr McEvoy—In the interests of time, I will take that on notice.	E102 20/10/2010	8/12/2010	10/02/2011
SR12	DRET – Corporate	Senator Fielding	Incoming government brief	<ol> <li>Did the department prepare a post-election brief for a returned Labor Government (the so-called 'Red Book')?</li> <li>Can the department provide the committee with a copy of this brief?</li> <li>If not, can the department outline its reasons for refusing to provide a copy of this brief?</li> <li>If the department will not provide a copy of this brief because it contains confidential or sensitive information, can the department provide a redacted copy of this brief as was done by the Treasury Department?</li> </ol>	Written	8/12/2010	10/02/2011

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				<ul> <li>5. Has the Minister given any instructions to the department regarding the release of this brief and if so, what were these instructions?</li> <li>6. Did the department prepare a post-election brief for a newly elected Coalition Government (the 'Blue Book')?</li> <li>7. Can the department provide the committee with a copy of this brief?</li> <li>8. If not, can the department outline its reasons for refusing to provide a copy of this brief?</li> <li>9. If the department will not provide a copy of this brief because it contains confidential or sensitive information, can the department provide a redacted copy of this brief as was done by the Treasury Department?</li> <li>10. Has the Minister given any instructions to the department regarding the release of this brief and if so, what were these instructions?</li> </ul>			
SR13	Geoscience Australia	Senator Siewert	Naturaliste Plateau	Geoscience Australia (Outcome 1):  The Naturaliste Plateau was the only nomination for release of acreage for oil and gas exploration not nominated by industry? Why did Geoscience Australia nominate the area?	Written	8/12/2010	10/02/2011
SR14	DRET – Resources	Senator Siewert	Montara Oil Spill Report and Kimberley Gas Hub	Department of Resources, Energy and Tourism (Outcome 1):  Montara Oil Spill Report  1. When will the Montara Oil Spill Commission of Inquiry report be released?  2. Why has it taken so long to release the report?  3. What is the timeframe for amendments to the regulatory process of the oil and gas industry?	Written	8/12/2010	10/02/2011
				Kimberley Gas Hub  1. What is the expected revenue to the Commonwealth from the			

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				proposed Kimberley Gas Hub?			
SR15	DRET – CED	Birmingham	Renewable Energy Future Fund	Has the Department developed guidelines for the expenditure of the Renewable Energy Future Fund? If so, please provide copies of such guidelines.	Written	8/12/2010	10/02/2011
				Does the Department have any targets for outcomes from the Renewable Energy Future Fund? If so, please detail those targets?			
				With regard to the programs listed in the answer to Question on Notice 64 in the Climate Change and Energy Efficiency portfolio through the May 2010 Budget Estimates, did the Department do any assessment of any of these programs or similar programs prior to the 2010 election? If so, what assessments were undertaken into each program and what was the outcome of such assessments?			
SR16	Tourism Australia	Senator Bushby	National Tourism Landscapes	What is the current budget for landscapes across the board and has an amount been allocated to each of the landscapes so far?	Written	8/12/2010	10/02/2011
				Is it expected that those Landscapes steering committees will have to raise funding from private sources?			
				What sort of marketing activity is expected of the steering committee?			
				How will Landscapes fit into state and territory govt tourist initiative example if one landscape committee has a strategy which differs in branding to the state and territory tourism on how will that be resolved?			
				How does the fed govt see Landscapes steering committees working with local tourism on the ground?			
				What sort of marketing will the commonwealth engage in for landscapes overseas?			
				How does it plan to market landscapes domestically?			

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				What feedback has the commonwealth had from state and territory govt on landscapes?			
				How will the commonwealth avoid duplication between the efforts of state committees and local govt?			
SR17	DRET – Resources	Senator Bushby	Energy White Paper / Mining Tax	Resources, Energy & Tourism	Written	8/12/2010	10/02/2011
				Energy White Paper			
				• What is the reason for the delay in release of this paper and when will it be released?			
				Does the Department agree that the consensus among analysts and power industry observers that national electricity supply: demand imbalance is looming with brown outs and blackouts of increasing frequency likely from around 2015 forward?			
				Does the Department agree that this is the result of steady growth in demand and the industry's inability to commit to new capacity construction given the absence of energy policy certainty?			
				Has the Department formulated policies to address this situation?			
				Mining Tax			
				At the last estimates, we had an exchange that outlined why you were in no position whatsoever to provide any assessment of the impact of the RSPT as it might affect incentives for industry to invest in the development of mineral prospects in Australia			
				Is the Department in the same position in respect to the MRRT, or has it played a greater role in the development of this new tax and its potential impact on mining investment?			
				You also stated that your preliminary work suggested the RSPT would not affect domestic prices for energy. Have you advanced that work any further with respect to the MRRT?			
				You also indicated that you had no idea how energy industry			

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				figures, including Grant King of Origin Energy, have come to the conclusion that the RSPT would increase prices and that you had not spoken to them in coming to your conclusion  Have you now spoken to them to try to understand their perspective? Do you agree and if not, why not? Where is the flaw in their argument? Did you convince them?  The MRRT has a lower taxation rate than that proposed in the RSPT. Do you think this will limit some of the possible disincentive to invest that it was argued would flow from the RSPT?  On balance, would the imposition of the MRRT render Australia's taxation regime as it applies to mining, more or less competitive?			
				<ul> <li>Will you revise the <i>Minerals and Petroleum Exploration and Development in Australia: a guide for investors</i> if the MRRT becomes law to the extent that it notes 'Australia has competitive taxation and royalty payments' and noting that the net taxation burden out of all the changes is heavily in favour of the Government?</li> <li>Have you sought advice from Treasury (from whom you base your statement in the above publication) as to how the Australian taxation regime compares to competitor nations in respect to mining taxation and royalty payments, if the RSPT was passed into law? Have you asked the same thing in respect of the MRRT?</li> <li>Have you received a response from Treasury in that regard? If so, on what date?</li> </ul>			

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				<ul> <li>I refer to the statement by the then Prime Minister, Kevin Rudd, as reported in the Sydney Morning Herald on 25 July last year that, as a capital importing country, we need to be mindful of the impact domestic tax laws have on global investment decisions and our ability to attract investment and international business?</li> <li>What did Mr Rudd mean by that statement? Do you think it has any application to attracting investment in the mining industry, in a global context where foreign investors have other opportunities for investment in places other than Australia?</li> <li>You indicated at the last estimates that you monitor as par for the course, the reasons why mining companies put on hold potential projects. In respect of those possible developments you are aware of that are not currently proceeding, have any indicated to the department that this is because of the potential impact of the MRRT?</li> <li>At the last estimates, in the context of industry objections to the RSPT, you stated that the opinions of industry are on the record and well canvassed and that you are hearing them. Do you accept what they have said – or do you reject it in part or whole? If so why?</li> <li>Ms Constable also acknowledged that the potential return is one of a range of factors that a financial institution would look at before deciding to finance an Australian mining project.</li> <li>Would you agree that the imposition of the MRRT would be likely to lower the likely return on such a project?</li> <li>As such, would you also agree that a lower potential return would make it less likely that such an institution would finance rather than more likely?</li> </ul>			

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				You also acknowledged that you were actively involved in the policy debate, since finding out the final form of the RSPT, from your perspective of trying to grow the mining industry in Australia. Have you been similarly actively involved in the debate about the potential impact of the MRRT from that perspective?			
SR18	DRET - Energy	Williams – transferred from ANSTO	Nuclear Power plants in OECD countries	From the Hansard of ANSTO's appearance before the Economics Committee on 20 October 2010  Senator Carr—I appreciate your interest in these matters, Senator Williams. Matters that go to energy are another committee and another department's responsibility. That is RET's responsibility. This is not a facility for the production of nuclear power; it performs a whole range of functions other than that.  Senator FAULKNER—But that is not really fair, is it, Senator Carr, because, after all, Senator Williams has been given this series of questions by someone to ask. Even though they are not particularly relevant, I think you have to be fair to him and let him ask them. I would just say through you to Senator Williams that he does not actually have to ask them. He can always say no. CHAIR—That may or may not be helpful to Senator Williams, but he has the call. Senator WILLIAMS—Exactly, I have the right to ask the questions. Senator FAULKNER—It was meant to be helpful, Chair. CHAIR—I do not want to continue this conversation across the table. Senator FAULKNER—I can assure you I was trying to be helpful. Senator WILLIAMS—Thanks for your input. How long are you going to be here for, Senator Faulkner? Senator FAULKNER—I have been here since the committee commenced—if you mean today. Senator WILLIAMS—Yes, today. You said you were not going to be here for long. Senator FAULKNER—Well, if you keep asking questions like this	E8 20/10/2010	8/12/2010	10/02/2011

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				I will leave, I promise you.  CHAIR—We seem to have spent a lot of the morning asking each other questions or answering questions.  Senator WILLIAMS—Anyway, we agree there are 430-odd nuclear power plants in the world. Of that number, does anyone know how many are in OECD countries?  Dr Storr—We will take it on notice.  Senator Carr—We will be here forever. Sorry, I think you should go down to talk to RET and they will be more than happy to help you with these sorts of questions.			