

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Supplementary Budget Estimates Hearing 2011-12
19 October 2011

AGENCY/DEPARTMENT: COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

TOPIC: CRADLE MOUNTAIN CARBON PTY LTD

REFERENCE: Question on Notice (Hansard, 19 October 2011, pages 6 and 7)

QUESTION No.: SI-4

Senator COLBECK: In relation to Cradle Mountain Carbon, my understanding is that the company is holding interest in some land that is going to be used for conservation purposes and potentially carbon sequestration processes. How are particular transactions within that particular holding potentially declared? Given the relationship and the access to information that Dr Clark may have, particularly around some of the research that is being done on carbon sequestration in soil or land through the CSIRO—I am not saying she necessarily has access to that information but could be seen to have access to that information—how are the transactions of that directorship dealt with as part of dealing with perceived or real conflicts of interest?

Mr Whelan: With respect to information that flows from CSIRO's research, as I think we have discussed in this place before, the overwhelming majority of CSIRO's research outputs are made publicly available via more than 4,000 scientific publications every year, numerous briefings to the public and a range of fora. I would envisage that information pertaining to the matters you are talking about—soil carbon and the like—would generally be drawn from the public domain. Dr Clark does not conduct research. She is typically not briefed on the specifics of any particular research outcome, unless it is sensitive in terms of potential discourse in this place or elsewhere. So I would imagine that the bulk of the information you are referring to is in the public domain and she would access it in that way.

Senator COLBECK: How did the board resolve that this was not a conflict?

Mr Whelan: I was not present for the discussion, but there are probably two aspects to that. The declaration that Dr Clark has made is a matter for her to make. It is not a matter for the board.

Senator COLBECK: I understand that.

Mr Whelan: It is up to the board and Dr Clark how they deal with that set of circumstances in the future. I am not present for all of the CSIRO board meetings, but for the significant parts of it that I am, to the best of my knowledge, there has not been any discussion at any of the recent board meetings, certainly not since 20 July, on matters relating to Dr Clark's directorship.

Senator COLBECK: Do you accept, though, that there could at least be the perception of a conflict of interest arising from that purchase of land, the connection with the research that is being done and the activities of that particular company?

Mr Whelan: On the face of it, no. I have no reason to believe that would be the case. Dr Clark is an officer of the highest levels of integrity. She drives the organisation on the basis of values. She, as much as if not more than any senior executive I have ever worked with, is driven on the basis of values. She is an officer of the highest integrity. I do not see issues there.

Senator COLBECK: We understand that. That is the reality, but a perception is created. She is a well-known advocate for carbon pricing and carbon policy. We all understand and accept that.

Mr Whelan: Before you ask me a question, I just want to pause and say I am not sure I can accept the proposition that Dr Clark is an advocate for anything in that regard. As chief executive of CSIRO, like any other officer in CSIRO, she has an obligation to draw to the community's attention the outcomes of research. As a matter of course, CSIRO officers do not advocate one way or the other for any particular policy position.

Senator BUSHBY: She may not be an advocate for it, but she is a key adviser to the government on climate change policies. Yet at the same time she is invested in or involved as director of a company that is purchasing an area of Tasmanian forest and grazing land specifically for the purposes of making money out of carbon credits. I accept and understand what you say about her being a person of the highest integrity, but what we are talking about here is a public position, and the perception that the public might form is just as important as the reality.

Mr Whelan: Just before you go on, I have no knowledge as to the purpose of the company you are referring to. You have indicated its purpose. You may have access to that information; I do not.

Senator BUSHBY: We understand that the business purpose is as a vehicle to hold land for conservation purposes. The company is called Cradle Mountain Carbon.

Mr Whelan: Yes, we agree on those two aspects. You went further to then talk about carbon trading and to make a connection to advice on climate policy. All I was saying is that the inferences that are the basis for that question I do not accept. I want to be cautious not to imply in anything I am saying that I accept the premise of your question.

Senator BUSHBY: If you could take on notice for Dr Clark to find out the purpose for which she has taken that and some of the other aspects we have talked about.

Mr Whelan: I would be happy to take that on notice.

ANSWER

Dr Megan Clark and her family purchased the property "Weaning Paddock Creek" in Cradle Mountain in Tasmania primarily to use as a family weekender, with a view to preserving the biodiversity on the property and preventing further deforestation.

Dr Clark and her husband have had a long-standing commitment to preserving special places in Australia rich in biodiversity and with unique conservation value. They also own a property in Western Australia in an area of rich plant and animal diversity and unique habitat status for the honey possum.

The property in Tasmania has special status as a remnant native rainforest and habitat for Tasmanian devils and quolls. Dr Clark has indicated her primary intentions are to restore the conservation value of the property through the further planting of native trees on cleared areas of the property. She has also indicated that the property may also be used for eco-tourism and carbon sequestration in the future.