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SENATE

STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE
ARTS

ESTIMATES

(Additional Budget Estimates)

FRIDAY, 16 FEBRUARY 2007

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**SENATE STANDING COMMITTEE ON
ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND
THE ARTS**

Friday, 16 February 2007

Members: Senator Eggleston (*Chair*), Senator Bartlett (*Deputy Chair*), Senators Lundy, Ian Macdonald, Parry, Ronaldson, Webber and Wortley

Senators in attendance: Senators Eggleston, Kemp, Siewert, Webber and Wong

Committee met at 9.02 am

ENVIRONMENT AND WATER RESOURCES PORTFOLIO

Consideration resumed from 13 February 2007

In Attendance

Senator Colbeck, Parliamentary Secretary to the Minister for Finance and Administration

Department of the Environment and Water Resources

Executive

Mr David Borthwick, PSM, Secretary
Ms Anthea Tinney, Deputy Secretary
Dr Conall O'Connell, Deputy Secretary
Mr Howard Bamsey, Deputy Secretary

Approvals and Wildlife Division

Mr Gerard Early, First Assistant Secretary
Ms Vicki Dickman, Assistant Secretary, Environment Assessment Branch
Ms Alex Rankin, Assistant Secretary, Environment Assessment Branch
Ms Kerry Smith, Assistant Secretary, Wildlife Branch
Mr Neville Matthew, Acting Assistant Secretary, Policy and compliance Branch

Corporate Strategies Division

Mr David Anderson, First Assistant Secretary, Corporate Strategies Division
Mr Darren Schaeffer, Chief Finance Officer
Mr Matthew Kelly, Director, Budget and Finance Section

Environment Quality Division

Ms Mary Harwood, First Assistant Secretary

Heritage Division

Mr Peter Burnett, First Assistant Secretary
Mr Terry Bailey, Assistant Secretary, Heritage Assessment Branch

Industry, Communities and Energy Division

Mr Gerry Morvell, Acting First Assistant Secretary
Mr Ross Carter, Assistant Secretary, Industry Partnerships Branch
Mr Mate Lulic, Director, Divisional Support Unit, Human Resources
Mr Warren Hughes, Director, Divisional Support Unit, Finance

International Land and Analysis Division

Mr Ian Carruthers, First Assistant Secretary

Mr James Shevlin, Assistant Secretary, International Climate Change Branch

Dr Greg Picker, Director, Global Climate Change Team, International Climate Change Branch

Marine and Biodiversity Division

Ms Donna Petrachenko, First Assistant Secretary

Mr Ian Cresswell, Assistant Secretary, National Oceans Office

Mr Stephen Oxley, Assistant Secretary, Marine Conservation Branch

Mr Andrew McNee, Assistant Secretary, Marine Environment Branch

Dr Charlie Zammit, Assistant Secretary, Natural Resource Management Policy Branch

Natural Resource Management Programmes Division

Ms Kelly Pearce, Acting First Assistant Secretary

Mr Paul Davis, Acting Assistant Secretary, Australian Government Natural Resource Management Team

Ms Mary Colreavy, Acting Assistant Secretary, Australian Government Natural Resource Management Team

Policy Coordination Division

Mr Mark Tucker, First Assistant Secretary

Mr Luka Grey, Budget Manager, Policy Development Branch

CHAIR (Senator Eggleston)—We resume this hearing of the estimates for the ECITA portfolio. Today we are continuing the examination of the Environment and Water Resources portfolio and those departmental divisions which were not dealt with at the hearing on Tuesday. Divisions will be called in accordance with the agenda, which is available to you all. Under standing order 26, the committee must take all evidence in public session, and this includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be dealt with by the Senate as a contempt. It is also a contempt to give false or misleading evidence to the committee.

The Senate by resolution in 1999 endorsed the following tests of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where a person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has also resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions or matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to a minister. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground on which it is claimed. Any claim that it would be contrary to the public interest to answer a question must be made by the minister and should be accompanied by a statement setting out the basis for the claim.

The committee has fixed Thursday, 5 April as the date for the return of answers to questions taken on notice. Senators are reminded that written questions on notice arising from today's hearings should be provided to the secretariat early next week. I welcome Senator Richard Colbeck, the Parliamentary Secretary to the Minister for Finance and Administration who is representing the Minister representing the Minister for Environment and Water Resources. Do you wish to make any opening comment, Senator Colbeck?

Senator Colbeck—No.

Approvals and Wildlife Division

CHAIR—I now call the officers from the Approvals and Wildlife Division.

Senator WONG—Mr Borthwick is not here? You are representing the department, Mr O'Connell?

Dr O'Connell—Mr Borthwick gives his apologies. He is undertaking negotiations with the states on the water package.

Senator WONG—Fair enough. It has been a few estimates rounds since I was with this department. I want to cross-reference the programs and various outcomes with the divisions. In relation to this division, are you able to let me know which programs in outcomes 1 and 2 you are responsible for?

Dr O'Connell—I will ask Mr Early to answer that.

Mr Early—We are in the response to human settlements. That is all we are in.

Senator WONG—So you are only in output 1.5?

Mr Early—That is right.

Senator WONG—What are the programs in 1.5 for which you are responsible? All of them or some of them?

Mr Early—Some of them.

Senator WONG—Could you let me know what they are.

Mr Early—Environmental assessments and wildlife protection.

Senator WONG—What is the budget appropriation for environmental assessments?

Mr Early—For 2006-07, it is \$13.8 million.

Senator WONG—And the actual expenditure to date?

Mr Early—I would have to take that on notice.

Senator WONG—What about for 2007-08? Dr O'Connell, while Mr Early is finding his place, I indicate to you that I will be asking similar questions in most of the divisions, so people might wish to prepare themselves accordingly.

Mr Early—\$12.2 million.

Senator WONG—And for 2008-09 and 2009-10?

Mr Early—For 2008-09 it is \$13.8 million and for 2009-2010 it is \$13.6 million.

Senator WONG—You will give me the actual expenditure to date on notice? Can we do the same for wildlife protection.

Mr Early—Wildlife protection is \$10.6 million for 2006-07.

Senator WONG—And on notice, unless you have it, could I have the expenditure to date as well and the outer years.

Mr Early—\$8.7 million for 2007-08, \$9.3 million for 2008-09 and \$9 million exactly for 2009-10.

Senator WONG—What about the administered items? What are you responsible for?

Mr Early—No. We do not have administered items.

Senator WONG—How long has this structure of output programs been in place for your division?

Mr Tucker—We adjusted our outcomes and output structures last year. I am trying to recall, though, whether it affected Mr Early's division. I think we did adjust it for last year's figures.

Senator WONG—By last year, do you mean 2005-06?

Mr Tucker—That is right.

Senator WONG—So these were applicable in 2005-06. Was this output structure for this division applicable in the 2005-06 year?

Mr Early—I would have to take it on notice to be absolutely sure. I think not. I think that we moved wildlife protection. Conservation of land and inland waters was actually called something different. I think some of the wildlife protection was in there. But I am not quite sure what year that changed.

Dr O'Connell—It may be helpful, now that we know the direction of the questions you might want to ask, if we go away and produce something which is more comprehensive.

Senator WONG—That would be useful. What I am interested in is the actual expenditure in each of the divisions for the last few financial years, but I appreciate that if there is a change in outputs that is going to be a little difficult to compare. My recollection is that this department has changed the outputs a couple of times.

Dr O'Connell—We will try and get something later this morning.

Senator WONG—I appreciate that. Thank you. I turn now to the legal framework. Are you responsible, Mr Early, for the EPBC Act?

Mr Early—Yes.

Senator WONG—Are there any federal laws which regulate Australia's greenhouse gas emissions?

Mr Early—Certainly not the EPBC Act other than if it is an issue in a particular assessment. It is not a matter of national environmental significance.

Senator WONG—I am sorry?

Mr Early—It is not a matter of national environmental significance protected by the EPBC Act.

Senator SIEWERT—It is not a trigger.

Senator WONG—I am aware of that. I am just interested in the statement that climate change is not a matter of national environmental significance.

Mr Early—Under the act, that is right.

Senator WONG—Are there any other Commonwealth laws which regulate greenhouse gas emissions to any extent, Dr O'Connell?

Dr O'Connell—Not to my knowledge.

Senator WONG—So there is no control or regulation of climate change in the EPBC Act?

Mr Early—It is not a trigger, no.

Senator WONG—That is a decision by government?

Mr Early—Well, it arose out of the 1997 COAG agreement, which identified the matters of national environmental significance. But subsequent consideration by government is a policy matter.

Senator WEBBER—But we have been through a debate where we amended the act.

Mr Early—That is right.

Senator WEBBER—There was no consideration or advice from the department in the lead-up to the drafting of those amendments that climate change is a significant environmental issue and should be considered in the act?

Mr Early—I think that is a really a policy matter that I cannot really comment on.

Senator WONG—The EPBC Act is the primary environmental legislation of the Commonwealth. Would you agree with that?

Mr Early—Yes.

Senator WONG—So under this government the decision has been taken that the primary environmental legislation of the Commonwealth does not deal with climate change or greenhouse gas emissions?

Mr Early—The government considers that there are a range of other ways of dealing with climate change. It felt that a trigger under the EPBC Act would not be appropriate.

Dr O'Connell—We have two other divisions that manage climate change later in the sequence of questions.

Senator WONG—Yes. Is there anything in the EPBC Act in relation to the impact of climate change?

Mr Early—Well, there is nothing specifically in the act, no.

Senator WONG—You mentioned earlier, Mr Early, that greenhouse gas emissions might only be relevant if they arise in the context of an EIS. Is that right?

Mr Early—Yes—well, in the context of assessing whether or not something needs approval, whether there is likely to be a significant impact on one of the other matters of an EIS.

Senator WONG—In relation to how many developments since 1996 does the department say that greenhouse gas emissions have been assessed or climate change impact has been assessed?

Mr Early—I would have to take that on notice. Certainly it has been a consideration in quite a number of assessments and considerations about whether actions need approval under the act. But I would have to say that, generally speaking, the view held is that the impacts on the actual matters of national environmental significance are not going to be significant.

Senator WONG—So it is a tangential consideration, in the sense that the department might consider greenhouse gas emissions in the context of determining whether one of the other objectives is—

Mr Early—That is right.

Senator WONG—Can you take me through that? Are you able to give me an example?

Mr Early—There is an example on the public record in a Federal Court case where there were a couple of coalmines. We looked at the impacts of the greenhouse gases emitted from those coalmines and from the possible sale of the coal and the use of it. The department, or the minister, held the view that those impacts were not sufficient to have a significant impact on any matters of national environmental significance and decided that that was not a consideration that needed to be assessed. We were taken to the Federal Court on that issue and the Federal Court upheld the view of the department.

Senator WONG—That greenhouse gas emissions were not an issue to be assessed?

Mr Early—No, not that they were not an issue to be assessed but that the impact was not going to have a significant impact on matters of national environmental significance.

Senator WONG—What are the matters of national environmental significance?

Mr Early—There are World Heritage places, national heritage places, Ramsar sites, the Commonwealth marine area, threatened species and ecological communities, migratory species and nuclear actions.

Senator WONG—To your knowledge, has the department ever determined—contrary to the example you just indicated—that greenhouse gas emissions or climate change impacted in the context of a development application on any of those items?

Mr Early—We have never found that they have impacted on any of those matters to a significant extent, no.

Senator WONG—Since the introduction of the act, which was under Senator Hill, wasn't it—1999?

Mr Early—In July 2000 it took effect.

Senator WONG—How many applications—is that the term?

Mr Early—Referrals.

Senator WONG—Referrals?

Mr Early—We have had over 2,200.

Senator WONG—So 2,200 referrals in the life of the act and the department has never found that there was a substantial impact from climate change or greenhouse gas emissions on any of these issues of national environmental significance?

Mr Early—Yes—not to a significant extent; that is the important element.

Dr O’Connell—Just to confirm, it is the result of the proposal in terms of climate change, not climate change on the matter of national environmental significance. So it is not an assessment about climate change.

Senator WONG—Yes. Perhaps I will rephrase it then. You have had 2,200 referrals. On no occasion that you can identify has the department ever found that the impact of a proposal on greenhouse gas emissions or climate change would substantially affect any matter of national environmental significance?

Mr Early—It would have a significant impact—that is right, yes.

Senator WONG—I think Senator Siewert has some questions.

Senator SIEWERT—I have heaps of questions on assessment, but I want to follow up there. Do you actually look at climate change when you are looking at these?

Mr Early—Yes, we do.

Senator SIEWERT—And you cannot assess cumulative impact, can you?

Mr Early—Well, we assess the impact of individual projects on the climate change impact. The issue is whether those impacts of themselves would have a significant impact.

Senator SIEWERT—Do you look at the impact that climate change is already having on threatened species et cetera? Do you look at the single proposal in that context? There is that issue, but are you saying also that climate change is not having an impact on any threatened communities?

Mr Early—No, that is not what I am saying. We are talking about individual proposals, so actions under the act, and whether those actions of themselves would have a significant impact as a result of greenhouse gases or climate change on specific matters of national environmental significance. Generally speaking, it is about particular matters of national environmental significance within the vicinity of the project.

Senator SIEWERT—Because you cannot assess cumulative impact, if it is already having an impact and that one project adds to the cumulative impact, you do not assess that and cannot assess it, can you?

Mr Early—We can look at the context. But no, generally speaking, we are looking at the impact of the particular proposal.

Senator SIEWERT—But, if you had a trigger, you could.

Mr Early—Well, I cannot really comment on that. It would depend on what the trigger was.

Senator SIEWERT—I have a heap of questions so I will hand back to you, Senator Wong, and do them later.

Senator WONG—Thanks. I am interested in how you might make the determination of whether or not an action has a significant impact on a matter of national environmental significance—there is a lot of ‘significance’ in this, isn’t there! Perhaps you should find another qualifying word. For example, there is a substantial amount of scientific evidence on the impact of climate change on migratory species and on wetlands. I am not a scientist, but there have certainly been plenty of CSIRO reports and other reports that have crossed my desk in recent times which identify these issues. There are World Heritage properties.

Senator SIEWERT—Coral.

Senator WONG—Yes. There are World Heritage properties and evidence that has been reported widely about the impact of climate change on Kakadu and the Great Barrier Reef. How is it that a project that might have substantial greenhouse gas emissions could be regarded as not having any significant impact on, for example, the Great Barrier Reef or Kakadu et cetera?

Mr Early—Certainly the projects we have looked at to date, even if they might be considered by some as having a large greenhouse impact, are actually relatively insignificant when taken against the overall issue.

Senator WONG—In other words, there is so much greenhouse gas emission that a bit more is not actually going to particularly affect the Great Barrier Reef—is that the approach?

Mr Early—No, I would not put it that way. I would put it in the context that, if there is a relatively small greenhouse impact, the logic of saying that something needs assessment under the EPBC Act because of that would be to argue—and realising that that goes into the global atmosphere—that what we are looking at are the matters of national environmental significance impacted by that proposal within that vicinity. Usually when you do the—

Senator WONG—I accept that. So essentially the legislative framework in that situation requires a direct, significant causal connection—

Mr Early—That is right.

Senator WONG—between impact and the actual development, and climate change, by definition, is a greater challenge than that.

Mr Early—Yes, that is right. It is as I said: even though we can take direct impacts into account, they have to be substantially linked to the actual proposal.

Senator WONG—So are we just thinking too small?

Mr Early—I am just working with the legislation as it is.

Senator WONG—Have you been asked to provide advice to government regarding the possibility of a climate change trigger in the act?

Mr Early—Yes, we have provided advice in the past.

Senator WONG—When was that advice sought?

Mr Early—Senator Hill, you may recall, actually had a greenhouse trigger regulation drafted and had consultation with the states and territories. We were certainly heavily involved in that process.

Senator WONG—Remind me of the date of that.

Mr Early—I would have to take that on notice. I think it was probably around 2002.

Senator WONG—Subsequent to that, has any further advice been sought?

Mr Early—We have looked at it from time to time and it has been sought, yes.

Senator WONG—I would like to know the approximate dates when such advice was sought and provided. You would have to take that on notice?

Mr Early—Yes.

Senator WONG—Are you able to tell me if any such advice has been sought in the term of this parliament?

Mr Early—A review of the matters of national environmental significance was commenced, and obviously greenhouse and climate change were raised by a number of people within the context of that review.

Senator WONG—People?

Mr Early—People and organisations. It was a public process.

Senator WONG—Have drafting instructions ever been issued in relation to a climate change trigger other than in the Senator Hill context that we were discussing?

Mr Early—Not to my knowledge.

Senator WONG—Would you be the appropriate officer to be aware of that?

Mr Early—Yes.

Senator WONG—No amendments were sought or no drafting instructions issued in relation to a climate change trigger in the context of the 2006 amendment bill?

Mr Early—No.

Senator WONG—In any part of the 400-plus pages in that bill was there any mention of climate change?

Mr Early—No.

Senator WONG—I am happy to go to Senator Siewert now, Chair.

Senator SIEWERT—While we are on the subject of matters of national significance, I would like to discuss water.

Senator WONG—Sorry, Senator Siewert. The committee has just identified a date for the consultation process of the greenhouse trigger, which was 1999. That is possible?

Mr Early—Yes, it is possible. Sorry, I had that wrong in that case.

Senator WONG—You might want to confirm the dates of that.

Mr Early—Yes.

Senator WONG—Thank you, Senator Siewert.

Senator SIEWERT—I suppose we should take a step back. I know the water people are not here. Was developing water as a trigger discussed in the process of developing the Murray-Darling?

Mr Early—I was not involved in any of those discussions, so I cannot answer.

Dr O'Connell—In developing?

Senator SIEWERT—In the discussions that have taken place in the development of the National Plan for Water Security, was the possibility of adding water as a trigger to the EPBC Act discussed?

Dr O'Connell—I am not sure. We would have to take that on notice. As you say, the water people are not here.

Senator SIEWERT—If you could, that be would appreciated. Secondly, is it now being considered?

Dr O'Connell—Again, we would have to take that on notice, given that they are not here. The discussions are going on under the Prime Minister's initiative with the states at the moment. The Prime Minister is due to meet with the premiers next week, I think, so no doubt we will get more clarity as to how that is going to play out, but I cannot answer your question directly.

Senator SIEWERT—I have a similar question to the one Senator Wong asked regarding advice on a greenhouse trigger. Have you been asked for advice on a water trigger?

Mr Early—We have not been asked for advice, but, once again, it was a trigger suggested by a number of community groups and individuals as part of the review of NES. We provided advice in that context.

Senator SIEWERT—But you have not subsequently been asked for advice?

Mr Early—No.

Senator SIEWERT—I have quite a few questions. There are some specific assessments I want to chase and I want to get updates on a couple of things. Can you tell me whether there have been any discussions about how the updated process on strategic assessment, which has just been introduced with the new changes to the act, will be implemented?

Mr Early—There have been discussions within the department but not outside, because we will obviously wait until the amendments are in force. Essentially, the strategic assessment process will be very similar to the current process. But the outcome means that the minister may, if he wishes, sign off on the strategic assessment and effectively exempt classes of actions or actions in particular locations from the need to seek further approval under the act. So the process itself will be very similar but we have a much better outcome as a result.

Senator SIEWERT—Under the process, will it be up to the states to approach the Commonwealth if they want to have something strategically assessed?

Mr Early—Obviously the Commonwealth could instigate and have talks with the states, but essentially it is a provision of the act which is there. States or local governments or industries can seek to become involved.

Senator SIEWERT—If the Commonwealth were involved in a number of individual proposals or were required to assess a number of individual proposals in a geographic region for a specific industry—I am thinking now of gas—is it possible that the Commonwealth could decide to do a strategic assessment?

Mr Early—That is certainly one of the areas we would be looking at using the new approach. It is a much more effective way of dealing with things like cumulative issues and regional effects and so forth. In that scenario we might want to have discussions with the industry or the state and try to have that approach.

Senator SIEWERT—I am thinking now of the Kimberley. There are a number of proposals on the board about developing gas offshore and bases onshore. It seems to me that that bears all the hallmarks of what you would use a strategic assessment for. Would that be a correct analysis? Has the Commonwealth given any thought to that yet?

Mr Early—Yes. It is a correct analysis. We have not given much thought other than the same as you have—thinking that that would be a good idea. We have not actually had formal discussions with anybody. Obviously, I suppose in terms of all those developments, it is a matter of where they are going to be located and so forth. It is an approach that we want to pursue through the act and take the opportunities for, so we would be looking for opportunities to have discussions with, as I say, the industry and the state about that.

Senator SIEWERT—Do you plan to have any discussions with the community or stakeholder consultations about how you will be implementing the strategic assessment?

Mr Early—We would certainly be involved in any strategic assessment in dealing with the community. It is a bit of an abstract concept to take out to the community in the absence of any particular proposal.

Senator SIEWERT—You are right in one sense, but there are stakeholders who are fairly knowledgeable about these issues. I was thinking more of stakeholder consultation.

Mr Early—It is not something I would be averse to particularly. As I say, it is a little awkward to start spruiking strategic assessment around the country. People kind of look at you blankly if it is not in the context of a particular area or range of proposals et cetera.

Senator SIEWERT—Thank you for that. I want to ask about some specific assessments now. The first is fisheries.

Mr Early—That is marine division.

Senator SIEWERT—Even though it is related to assessments, do I ask them or you?

Mr Early—Fisheries assessments are done in the marine division.

Senator SIEWERT—I want to ask about Christmas Island and where we are up to with it.

Mr Early—In terms of the mining proposal?

Senator SIEWERT—Yes. I do not ask you about the bat, do I? Who do I ask about the bat?

Mr Early—Yes. You can ask me about the bat.

Senator SIEWERT—The pipistrelle bat.

Mr Early—The Christmas Island pipistrelle. That is it, I think. In terms of the mine, we are currently in the approval stage of the process.

Senator SIEWERT—You have been in the approval stage of the process for 18 months.

Mr Early—No. We were in the assessment stage for a long time—in fact, more than 18 months, I suspect—because we were waiting on information from the company, largely, and finalisation of the environmental impact statement. So we are still within the statutory timeframe for it.

Senator SIEWERT—I was not having a go. I am aware it was the company that was holding things up, yes. Sorry.

Mr Early—Yes. So we will have a decision shortly.

Senator SIEWERT—When is shortly?

Mr Early—The statutory timeframe is 20 February.

Senator SIEWERT—That is next week.

Mr Early—That is right. It is very shortly. But there may well be some further discussions, so it may be a little later than that.

Senator SIEWERT—So there will not be a fresh announcement on 20 February?

Mr Early—There may be. Sorry, I am not saying there will not be. It may be shortly after, that is all.

Senator SIEWERT—I understand the bat is a little more complicated. My understanding is that the bat has been listed as critically endangered.

Mr Early—That is right, yes.

Senator SIEWERT—Its primary habitat now is some regrowth—

Mr Early—That is right.

Senator SIEWERT—on the mine site, which the company is planning to mine. I am aware that they have approval. What is the department intending to do about the fact that this bat is now critically endangered and, as I understand it, the vast majority of its habitat is regrowth?

Mr Early—I do not think that is quite right. The advice we have had from Parks Australia North is that there are few remaining areas of significance to the bat outside the national park. But you are right: some of the area that is proposed for mining is foraging habitat or potential foraging habitat. Parks Australia North have done work using funds from the National Heritage Trust but also through their biodiversity conservation program in trying to identify the issues for the pipistrelle. It is very rare and it is very difficult to work out precisely what is happening there. In terms of the areas outside the national park, some of which are potential foraging habitat and are subject to mining, essentially there is not anything we can do. Approvals are in place. They were in place in 1996 as a result of the Environment Protection (Impact of Proposals) Act.

Senator SIEWERT—I understand that. So you cannot go back and revisit despite the fact that the species has now been listed as critically endangered and this habitat is now a key part of its foraging habitat? You cannot do anything about it?

Mr Early—Yes. That is right. I will add that that is of course an anomaly and was a limitation in the previous legislation and one of the reasons for changing it. The old legislation had, as you know, no teeth—no compliance regime and no monitoring enforcement.

Senator SIEWERT—If you had just left it to tidying up the act, we probably would have been happy. But anyway, that is an aside. So you cannot call it in again?

Mr Early—No. The EPBC Act simply does not apply to actions which were assessed and given approval not by the environment minister but by other ministers under their legislation following advice under the EPBC Act.

Senator SIEWERT—So basically what we are now relying on is the goodwill of the company not to clear those areas?

Mr Early—Also in the work that is being done within the national park. Yes, you are right: in terms of those areas, it is essentially the company, as you say, doing things in a way which is not going to be deleterious.

Senator SIEWERT—Can you remind me if there is a recovery plan?

Mr Early—Yes, there is. It was in 2004. It is currently being revised by the parks people.

Senator SIEWERT—It is currently being revised?

Mr Early—Yes.

Senator SIEWERT—I have another question on threatened species. These are amendments? Who should I ask?

Mr Early—Me.

Senator SIEWERT—So we have changed the process on the assessment of TECs. What is happening to the list of 500 that you had?

Mr Early—We are not quite sure at the moment. The 500 is a little misleading because a number of them are not nationally threatened ecological communities. Even in the report that identified so many, a number of them can be combined and so forth.

Senator SIEWERT—There are still lots. Let's not quibble over how many there are. There are still lots.

Mr Early—We can do what we can do. As you know, it is a very difficult process. There have been a number of court cases. There is not much point in listing things if you then cannot actually do anything about them, so we have taken the view that—

Senator SIEWERT—So it is okay? We will not miss them and it does not matter if they fall off, then?

Mr Early—No. We have done a lot of work over the last couple of years in terms of our approach to ecological communities to make sure that we can identify them properly, that we can articulate the values and give people information about what it is that they can and cannot

do et cetera, so that is a much more rigorous regime. We have workshops with experts and with local communities and stakeholders so that, by the time we list something, we can be relatively convinced we are actually going to have a good environmental outcome. So we have taken the view, and previous ministers have taken the view, that it is better to get the thing right rather than just list a whole lot of things which are then subsequently thrown out at court.

Senator SIEWERT—So whether it is 500 or some have been amalgamated, will you still be working your way through that list, or does it essentially disappear now?

Mr Early—I suspect we will be reviewing the entire list and trying to work out which ones are the priorities for going forward.

Senator SIEWERT—How are you now implementing the new process for both heritage sites and threatened species in terms of the thematic approach?

Mr Early—It is up to the minister, of course, to have a theme for either of them. The minister may decide not to have a theme for either. There has been a capacity in the act for some time for themes under heritage, which—

Senator SIEWERT—I appreciate that.

Mr Early—the minister has not chosen to do. So it is really an option. I cannot really say anything other than it will be a decision that our minister will make in the next little while.

Senator SIEWERT—Have you been asked for advice?

Mr Early—We have provided advice, yes.

Senator SIEWERT—Since the changes to the act?

Mr Early—In recent times, yes. The changes to the act actually come into force next Monday.

Senator SIEWERT—The changes have gone through—

Mr Early—Yes.

Senator SIEWERT—So I am presuming there would be some consideration of where you go to before they actually come into force?

Mr Early—That is right, yes. The minister will be considering it. Obviously there are a range of statutory decisions he has to make under the new legislation. He will consider them in the next little while. I will be advised.

Senator WEBBER—Can I interrupt. When was the advice sought and when was it given? Do you have the date?

Mr Early—Well, it was not sought, particularly. The act was amended by the parliament in December 2006. As a responsible department, we sat down and worked out a work plan as to precisely what we had to do. Obviously the regulations have to be changed. There are decisions that, as Senator Siewert said, the minister has to make about when the public comment period is called. There are a whole lot of transitional issues. We are providing advice to the minister to make those decisions.

Senator SIEWERT—So since the amendments went through, you have given some, but there has been no response. Is that right?

Mr Early—Well, I would not put it that way. There has been very little time and the minister in fact really cannot make those decisions until the act actually commences. So he will be making them shortly after that.

Senator SIEWERT—I have some questions about palm oil but I do not know if they go to you. I do not think they belong with you, so I am done on assessment. Thank you.

Senator WONG—I have no further questions for Mr Early or for this division.

CHAIR—That means we can finish with Approvals and Wildlife. I call Corporate Strategies Division officers.

Senator WONG—Dr O’Connell, I was seeking financial information in relation to this division. Before we move to corporate, are we able to get that?

Dr O’Connell—I think we can probably give you—

Mr Anderson—We can provide it for the corporate division.

Senator WONG—Mr Anderson, I wonder whether I can start by taking you through the same process as I took Mr Early. Can you tell me which outcome and which outputs your division has responsibility for?

Mr Anderson—Our work spreads across all the outputs. We do not actually specifically relate to one individual output. We provide corporate support in terms of financial reporting, people management, IT support et cetera across all divisions and across all outputs. So you will not actually see a consolidated corporate figure. It is just a proportion across all the outputs.

Senator WONG—Can you tell me the proportions? I am trying to get a sense of the funding for your division.

Mr Anderson—The budget I have to run the Corporate Strategies Division this year is \$46.8 million. The following year, 2007-08, it is \$45 million. For 2008-09, it is \$36 million. For 2009-10, it is \$35.7 million.

Senator WONG—What is that made up of?

Mr Anderson—The key items there are staff. Salaries are about \$16 million.

Senator WONG—These are 2006-07 figures?

Mr Anderson—They are 2006-07 figures. It is \$16 million approximately for salaries. We pay the leases for all our accommodation in the order of about \$10 million. The IT outsourcing contract is about \$10 million. There is then a range of other items, such as providing a library service, records management, Comcover, premiums, our car fleet et cetera. That makes up the balance.

Senator WONG—Can we go to leases? What is that in relation to?

Mr Anderson—They are the leases for accommodation—all leases except those covered by the Antarctic Division and the Director of National Parks. So that is the John Gorton

Building in Canberra, the building in Darwin for the Supervising Scientist and a warehouse and other sorts of facilities. So it is our accommodation leases, essentially.

Senator WONG—Sure. On notice, Mr Anderson, could you get me a list of the accommodations and the costs of the leases for the period of the leases that have been signed?

Mr Anderson—Yes. We can provide that.

Senator WONG—Thank you. The reduction in the out years, does that reflect the ending of particular contracts? It is a reasonably significant reduction in expenditure in the two out years.

Mr Anderson—It essentially reflects the formula for how we derive the budget for the division. There is some core base funding. A lot of additional funding is received as a corporate overhead. So whenever any new policy comes into the department, we extract a modest corporate overhead for each additional ASL. The flipside of that is that when programs lapse or terminate the corporate overhead that we had received also lapses. At the moment, the big drop in 2008-09 is essentially reflecting the conclusion of the NHT2 program and a number of AGO divisional programs. Historically, that has been the pattern. I expect that those figures will change as those out years come to actual budget years.

Senator WONG—What is the corporate overhead? Is it a proportion of the program itself?

Mr Anderson—It is in the order of \$20,000 per ASL.

Senator WONG—ASL?

Mr Anderson—Average staffing.

Senator WONG—So it is a staffing head?

Mr Anderson—Yes. We get in the order of \$100,000 plus per new staff member. We extract in the order of \$20,000.

Senator WONG—Are you able to provide me with the programs that you referred to—NHT2 and AGO—and the reduction? I am trying to work out how they affect your budget in 2008-09 and 2009-10.

Mr Anderson—Yes. We can certainly provide that information. I was just using those two as examples. Clearly, there are a number of programs across the department that lapse or terminate. Some will get refreshed through the budget process.

Senator WONG—If you could give me a list of those and an indication of the impact on your budget—

Mr Anderson—Yes.

Senator WONG—that would be useful. Thank you. Is the IT outsourcing of \$10 million a single contract?

Mr Anderson—That is a single contract with Volante.

Senator WONG—Volante?

Mr Anderson—Volante is the name of the contract.

Senator WONG—When does that contract expire?

Mr Anderson—It runs through to 2009. That is a consortium with a number of other departments, including the agriculture and fisheries department.

Senator WONG—And that is in relation to the provision of IT services across the department?

Mr Anderson—A range of services. It is essentially desktop support. A lot of our scientific mid-range work is handled through an in-house arrangement or other suppliers. That is essentially our desktop support.

Senator WONG—What is your actual expenditure to date?

Mr Anderson—I do not have the precise figure, but it is trekking against our forecast. It is a little bumpy because we pay certain accounts quarterly for different things and with different formulas, but it is on budget.

Senator WONG—What is the actual expenditure to date?

Mr Anderson—I do not have that precise figure. It is essentially seven months of the 12 months. I can provide that.

Senator WONG—If you can provide that on notice. On notice, for my reference, I wonder if you would be kind enough to provide me with actual expenditure for your division for the financial years 2002-03, 2003-04, 2004-05 and 2005-06.

Mr Anderson—Yes. We can provide that.

Senator WONG—Thank you. Who deals with sustainable cities?

Dr O'Connell—Environment Quality Division, which is the next division.

Senator WONG—Thank you, Mr Anderson. I do not have anything more.

CHAIR—We will call the next division, which is Environment Quality Division.

[9.52 am]

Environment Quality Division

Senator WEBBER—Which programs are you responsible for?

Ms Harwood—We handle a range of environment protection functions. In a short summary, that is hazardous waste, chemical assessment, assessment of the environmental impact of genetically modified organisms, air quality, fuel quality and waste management. They are the main items.

Senator WEBBER—Does your division have anything to do with climate change?

Ms Harwood—No.

Senator WEBBER—Is there any climate change work in your division?

Ms Harwood—No.

Senator WEBBER—So where will I find climate change?

Ms Harwood—In the two divisions of the Australian Greenhouse Office.

Senator WEBBER—And that is it? No other section of the department looks at it?

Ms Harwood—There may be other areas, but prime coverage is in the AGO.

Senator WEBBER—I thought environment quality might have something to do with it.

Ms Harwood—I have just been reminded that another area that my division handles is ozone depleting gases and synthetic greenhouse gases, so that does have an interconnection to climate change.

Senator WEBBER—That is getting awfully close to climate change, but it is not climate change itself.

Ms Harwood—Yes. My apologies.

Senator WEBBER—So those two programs would be the only programs that your division has that go to climate change.

Ms Harwood—Yes.

Senator WEBBER—These are similar questions to the ones Senator Wong has been asking in terms of actual expenditure in the past and forecast expenditure for your division. Can you take me through that, or do you need to take it on notice?

Ms Harwood—I would rather take it on notice to get the figures precise for you.

Senator WONG—Do you want us to go through the questions?

Ms Harwood—Yes. That is fine.

Senator WEBBER—Do you understand what we are after?

Ms Harwood—Perhaps we could go through. I may be able to take some as they come.

Senator WONG—I think we want all programs for which you are responsible. We would like the appropriation for the current financial year and the outer years and actual expenditure in the preceding three financial years.

Ms Harwood—Okay. We will do that on notice, thank you.

Senator WEBBER—We have just learnt that your division is responsible for Sustainable Cities. Is that right?

Ms Harwood—Yes.

Senator WEBBER—So is it your division that would be working on any government response to the House of Representatives Standing Committee on Environment and Heritage and their report on Sustainable Cities from August 2005?

Ms Harwood—Yes. We are coordinating the government response to that inquiry.

Senator WEBBER—When can we anticipate that that response will actually come to the parliament? It is almost two years on now.

Ms Harwood—The response is in the final stages of preparation, but we need to discuss the response with our new minister.

Senator WEBBER—So are we going to see it some time this year?

Ms Harwood—Hopefully, yes.

Senator WEBBER—Are we going to see it some time this financial year?

Ms Harwood—I expect so, but I cannot say until it has been through its approval process.

Senator WEBBER—But it is at a point that it is ready to be discussed with the minister? The department is ready with that?

Ms Harwood—Yes.

Senator WONG—Dr O’Connell, in terms of process, are all divisions present?

Dr O’Connell—Yes, I think they are. I hope they are.

Senator WONG—Otherwise no-one is watching your back. I hope this is not inconvenient for Dr O’Connell. I have to attend the estimates hearing for human services shortly. I have questions for the marine division. Is there any inconvenience to the department if we ask those questions at this point? I understand it is not a problem for Senator Siewert. It is not a problem for the department?

Dr O’Connell—We are prepared for that, yes.

Senator WONG—Thank you.

Senator WEBBER—I am finished with environment.

Senator WONG—We have finished.

CHAIR—Thank you very much. I call the marine division.

[9.57 am]

Marine and Biodiversity Division

Dr O’Connell—I am probably not going to be very helpful to you. We have a breakdown of the current and forward years for all the divisions. It is a total of about 70 different figures, so it may be better if we type that up and take it on notice for you because we do not have the recent expenditure figures you want available right away.

Senator WONG—That is fine. Thank you, Dr O’Connell. The additional estimates statement indicates a transfer of \$191 million for each of the current and forward years. That is indicative of you taking responsibility for the whales program. Is that right?

Ms Petrachenko—The majority of that relates to the Great Barrier Reef structural adjustment program.

Senator WONG—Perhaps to assist you, Ms Petrachenko, I will take you to page 14 of the additional estimates statements.

Ms Petrachenko—Outcome 2, sorry—yes, transfer of whales.

Senator WONG—Yes. The \$191 million reduction in outcome 2 and the additional appropriation or the transfer to outcome 1 indicates your new responsibility for that program. Is that right?

Ms Petrachenko—That is right.

Senator WONG—In terms of the other variations, the \$1.3 million for the structural adjustment package is administered by you as well?

Ms Petrachenko—Yes, it is.

Senator WONG—Dr O’Connell, which outcome was wildlife protection import fees? Was that Mr Early?

Dr O'Connell—That was Mr Early.

Senator WONG—And CERF, the Commonwealth Environment Research Facilities?

Dr O'Connell—That is Mr Tucker.

Senator WONG—Ms Petrachenko, your division took responsibility for this program as of what date?

Ms Petrachenko—July.

Senator WONG—So the beginning of the financial year?

Ms Petrachenko—Yes.

Senator WONG—What does the whales program comprise?

Ms Petrachenko—It comprises both domestic and international whales policy. In there, domestically, we have things like whale watching guidelines, all of the operations for that, disentanglement workshops that we do and information that we give out on whale identification. It is a cetacean policy section, so it deals with whales and dolphins. On the international side we support Dr O'Connell in terms of the International Whaling Commission. We liaise with Antarctic Division, which does the science related to marine mammals.

Senator WONG—I did ask some questions of them earlier in the week. I understood that they indicated this was your responsibility. So what is the science related aspect that they have carriage of?

Ms Petrachenko—They continue to do the marine mammal research, so everything from identification to the science support to the International Whaling Commission. The scientists for Antarctic Division participate in the scientific workshops related to the IWC. They provide scientific advice to us, who do the policy.

Senator WONG—I was not aware of that. I have to say I understood their answers to be far more unequivocal that you were the people.

Senator WEBBER—I was at that hearing and I have to say that that was also the impression I got on Tuesday.

Senator WONG—Is there any other program expenditure identified in the PBS which relates to whales other than the \$191 million?

Ms Petrachenko—The \$191 million was what was transferred from Antarctic Division relating to staff and the funds associated with that and small programming funds. The rest of the funding is in the overall departmental budget—departmental funds which are received.

Senator WONG—Which are what?

Ms Petrachenko—Mr McNee has the section for whales. I do not have the exact breakdown here available for that. I could take that on notice.

Senator WONG—Could you identify all programs or other measures or activities of the department associated with your division and provide them to us and give an indication of the budget for each of those programs?

Dr O'Connell—Just to clarify, do you want us to do that for the whole department so we include the Antarctic Division side?

Senator WONG—That is a useful process, although I flag that, if I had understood the Antarctic Division's role from the answers, I probably would have asked them a few more questions.

Dr O'Connell—That is why I asked.

Senator WONG—We can do that next time. I neglected at the outset, Ms Petrachenko, to ask you the same questions I have asked of all divisions. Would you like me to go through that again? Are you only outcome 1?

Ms Petrachenko—That is right.

Senator WONG—You are responsible for which outputs?

Ms Petrachenko—Outcome 1.3, marine conservation and, as of two weeks ago—this is where you have to bear with me; I inherited a new branch about two weeks ago—what relates to output 2, conservation of land. It is not the inland waters portion but land related to biodiversity.

Senator WONG—Output 2?

Ms Petrachenko—Sorry, 1.2.

Senator WONG—Outcome 1.2?

Ms Petrachenko—Outcome 1.2, yes.

Senator WONG—So you have outcome 1.3 and some in outcome 1.2?

Ms Petrachenko—That is right.

Senator WONG—In relation to those, I am seeking all programs and their budget appropriation for the current and subsequent three financial years, your actual expenditure to date in each of those programs and, insofar as you are able—I appreciate the programs may have changed—the equivalent program's actual expenditure in the previous three financial years.

Ms Petrachenko—By way of background, marine division did not actually exist three years ago on the marine side. It was created about two years ago. The other thing that changed over time was that previously one of my branches, which is the National Oceans Office, was an executive agency. That came into the department two years ago when the division was created. So we will have a continuous budget for the last two years for the marine area.

Senator WONG—That will be fine. Thank you.

Ms Petrachenko—In terms of this financial year, the budget is \$16.5 million. For the next four years: 2007-08 is \$13.5 million; 2008-09 is \$11 million; 2009-10 is \$11.2 million and 2010-11 is \$11.2 million.

Senator WONG—You do not have to give me 2010-11, but it is very kind of you to do so. What does that relate to? The budget for the division?

Ms Petrachenko—That is for output 1.3, marine conservation.

Senator WONG—I think we have ascertained that that is not the only output for which you are responsible.

Ms Petrachenko—That is right.

Senator WONG—So you will provide me with the other figures?

Ms Petrachenko—I will have to take it on notice.

Senator WONG—Yes. You will take it on notice. I understood that. Thank you. Can you let me know, Ms Petrachenko, how many whales have been slaughtered in Australian waters this year so far?

Ms Petrachenko—In Australian waters?

Senator WONG—Yes.

Dr O'Connell—In terms of the Australian Antarctic Division-claimed EEZ, my understanding is that this year the Japanese whaling program has not been in our waters. It has been down in the Ross Sea area south of New Zealand. So, as far as we know, there have been no whales killed.

Senator WONG—When I am using the phrase 'Australian waters', I am assuming the waters which we claim. I understand there is a legal dispute as to whether they are in fact ours.

Dr O'Connell—The Antarctic Territory Exclusive Economic Zone, which we claim, yes.

Senator WONG—EEZ. So you are not aware of any?

Dr O'Connell—Not so much that I am not aware of them. It is not where the whaling is taking place. So fairly confidently you could say there have not been any taken in Australian waters this year.

Senator WONG—Are you able to give me figures for 2006?

Dr O'Connell—We will take that on notice.

Senator WONG—You do not have them here?

Dr O'Connell—I do not have the figures directly. We can find out probably quite quickly, but they would be the overall figures that Japan took in that year, I think, in the Antarctic.

Senator WONG—I have asked you to take on notice for 2006. I actually would like to know how many whales have been killed as part of the government of Japan's scientific whale program within Australian territorial waters, including Australia's Antarctic whale sanctuary, since 2000, if you are able to provide that on notice.

Dr O'Connell—Yes. We can take that on notice. As I say, there would probably be some of the take in the Antarctic for each of those years.

Senator WONG—You are relying, in terms of your assertion, on the fact that none have been killed at this time. On what information, Dr O'Connell? Is this Japan's information as to where they are conducting whaling?

Dr O'Connell—Yes. The fleet is in the Ross Sea at the moment both by plan, as Japan has provided the IWC with, and obviously the events we have been following in recent days.

Senator WONG—Through the media?

Dr O'Connell—Not just through the media. It is very clear that they are in the Ross Sea.

Senator WONG—We do not undertake any monitoring of the number of whales killed ourselves in our waters?

Dr O'Connell—The program that Japan undertakes is undertaken through article VIII of the convention. Article VIII of the convention allows any state to undertake a scientific whaling program according to its own management prescriptions. Japan has always been very clear that it would not accept international observers on its boats.

Senator WONG—So we rely on Japan's advice as to the number of whales killed?

Dr O'Connell—Japan tells the IWC how many it intends to take as part of its program. It is a self-given quota, essentially, so it is not a quota that is provided by the IWC. They decide how many they want to take. They tell the IWC what the quota is. Then they tell the IWC the following year how many they actually took.

Senator WONG—So my question remains: our information about the number of whales killed or taken, as you say, is reliant upon Japan disclosing that?

Dr O'Connell—Necessarily so, yes.

Senator WONG—So we undertake no monitoring activities to determine whether they are in fact telling us the correct information?

Dr O'Connell—As I said, Japan does not allow international observers on its boats so we cannot undertake that direct monitoring, no.

Senator WONG—Has the minister sought, or has the department provided, any advice in relation to the monitoring of Japanese whaling in Australia's territorial waters?

Mr McNee—Not directly on that. But we do monitor the information that Japan provides to the IWC.

Senator WONG—How do you monitor that, Mr McNee?

Mr McNee—A number of working groups are set up under the auspices of the IWC. The commission meets annually. Australia participates in the discussions around those meetings. There is also a review of the JARPA II program, which is the Japanese scientific whaling program in train at the moment. That will be reported to the forthcoming IWC meeting.

Senator WONG—Does monitoring mean going to the commission meeting?

Mr McNee—It is monitoring the information that has been provided.

Senator WONG—What does it mean? Does it mean reading it or verifying it?

Mr McNee—To be clear: it is not verifying it, as Dr O'Connell said. We do not have an independent mechanism for that.

Dr O'Connell—Verification would require independent observers. Of course we cannot have independent observers.

Senator WONG—Yes. I understand that. It is the use of the word 'monitoring', I suppose, which seems to imply that we actually check it, that we do something. But essentially what

we do is that Japan tells the IWC how many whales it has taken and we take the information from the IWC and we turn up to the meeting.

Dr O'Connell—We work through the IWC and the review processes. We treat the information that Japan provides in reasonably good faith, as you would expect in an international convention arrangement. We have no reason to believe that Japan does not do anything other than report the whales that they have said they will take. There is no obvious incentive for them to do otherwise.

Senator WONG—So the government's position is that it is comfortable in relying on Japan's figures as to the number of whales slaughtered?

Dr O'Connell—We are not comfortable with the whole program, of course. The government is adamantly opposed to the program.

Senator WONG—But you have to rely on Japan's figures?

Dr O'Connell—We are not happy to rely on any aspect of the program. We have to rely on those figures. When we discuss the issues around the potential for commercial whaling to restart, one of the primary criticisms we have is the lack of capacity to independently verify take. So exactly the problem we see in the scientific whaling that Japan undertakes is a problem that we highlight when people wish to get close to pursuing a commercial whaling operation. That is that the countries that wish to undertake commercial whaling will not allow international observers on board. So we are far from happy. What I was suggesting was that when they tell us that they take a certain number, we have to rely on that because we do not have independent observers.

Senator WONG—You have to rely on it because we do not have independent observers?

Dr O'Connell—There is no independent observer allowed on those ships.

Senator WONG—I did notice, though, you indicated that you take the figures in good faith. You used the phrase 'good faith'.

Dr O'Connell—In the sense that there are two states that have a conventional relationship with each other, if they provide us with that information, we take that on its face value. We do that in all conventions.

Senator WONG—You do not have any concerns as to the accuracy of the figures?

Dr O'Connell—It is an area where you would have concerns if you thought there was a strong incentive. As I say, the quota is one which is provided by the government of Japan, so it makes its own mind up what quota it is going to take. It decides for its own business purposes, so to speak—whatever that business is—what number of whales it is going to take, and it takes them. So it does not have a third party entering into the debate to negotiate down its quota in any sense. So the incentive for them to do anything other than to say how many they want to take is not obvious.

Senator WONG—In terms of Japanese whaling, do they indicate to the IWC how many they intend to kill in a calendar year or a season? How does it work?

Dr O'Connell—It is a season.

Mr McNee—It is the summer in the Antarctic.

Senator WONG—So how many did they indicate they would kill in the 2006-07 summer?

Dr O'Connell—I stand to be corrected here, but I think it is 935 minke whales and 10 fin whales. There is a plus or minus 10 per cent, I think, in their minke whale number. I would have to confirm that. For 2007-08, they have flagged that they will take 935 minkes, 50 fin whales and 50 humpback whales, potentially.

Senator WONG—There is no indication of where they will take these whales from? You said they are now currently in the Ross Sea. Is there an indication of the amount of time, the proportion of time or the proportion of whales they might take from Australia's Antarctic whale sanctuary?

Dr O'Connell—I would have to take that on notice. I have not seen the plan.

Mr McNee—They do table a plan at the IWC meeting for their activities in the coming year.

Senator WONG—So the plan is geographically based?

Mr McNee—Yes.

Senator WONG—Does the plan indicate approximate take in particular areas?

Mr McNee—Approximately.

Senator WONG—Do you have that?

Dr O'Connell—No. We could provide you with that.

Senator WONG—Are you able to tell us what the proposed take is for Australian waters?

Dr O'Connell—No, not at the moment. I would have to take that on notice. We would have to provide you with that.

Senator WONG—What is the relationship between the EEZ and the whale sanctuary in terms of geographic lines?

Dr O'Connell—They are the same.

Senator WONG—They are the same. Will you take on notice, or are you able to provide today, how many whales are proposed to be killed by Japan in Australia's whale sanctuary in the 2006-07 summer?

Dr O'Connell—I do not think we can be that precise because the geographic areas that the IWC uses are not exactly coincident with the EEZs claimed by the various parties. We could provide you with the geographic areas that the IWC uses and what Japan has announced is its intention to take from those areas. We cannot do any better than that because there is not anything more detailed than that.

Senator SIEWERT—With the 2006-07 plan, at the moment they are in the Ross Sea. Does that plan say whether they are going into Australian Antarctic waters?

Mr McNee—The plan for the 2006-07 summer was simply for the Ross Sea area.

Senator SIEWERT—So that is what the plan says?

Mr McNee—Yes. So any activity in the Australian zone would fall in the 2007-08 summer.

Senator SIEWERT—So you are going to provide that plan. Can you provide this year's and the those for the other seasons that you have?

Senator WONG—What do you have? How many years ahead do they do the map that is provided that indicates the approximate regions of the take or the kill?

Mr McNee—It is my understanding it is generally one. At the IWC meeting in May this year, they will provide the details of their activity for the 2007-08 year.

Senator WONG—I thought you indicated that you already had the 2007-08 plan.

Mr McNee—No, sorry. I meant we have the 2006-07 plan, which we received at last year's IWC meeting.

Senator WONG—When is the IWC meeting?

Dr O'Connell—It is towards the end of May.

Senator WONG—Mr McNee, did you say the 2006-07 map does not include any Australian territorial waters?

Mr McNee—I would have to check closely, but it is generally in the area of the Ross Sea, which is away from the Australian areas.

Senator WONG—Has the department sought any legal advice in relation to the possibility of taking the government of Japan to international tribunals in order to stop whaling?

Dr O'Connell—Have we—

Senator WONG—Sought any legal advice regarding international remedies to stop Japan whaling?

Dr O'Connell—The answer is yes in the context of a legal case, yes.

Senator WONG—Which legal case?

Dr O'Connell—HSI v KSK.

Senator WONG—But, other than that, you have not been asked by government to provide any advice as to taking the government of Japan to any international tribunal to stop whaling?

Dr O'Connell—Not to my knowledge. I think we went through this in a previous Senate estimates hearing. It has gone from my brain at the moment. I just have to refer back and make sure.

Senator WONG—There is no current—

Dr O'Connell—Certainly not in any recent time frame.

Senator SIEWERT—Not since last estimates? When were you asked that?

Dr O'Connell—It was several estimates ago.

Senator SIEWERT—So since whenever you were last asked, you have not been asked for any further—

Dr O'Connell—No. Other than, as Mr Early was pointing out to me, the HSI case.

Senator SIEWERT—Would the government go to anybody else in any other agency besides yours and ask for that sort of advice?

Dr O'Connell—The advice would be advice that you would get on a whole-of-government basis in the sense you could be looking at the Attorney-General's Department and the Department of Foreign Affairs and Trade, yes.

Senator SIEWERT—So if they had, you would know about it?

Dr O'Connell—If they had, I hope I would know that, yes.

Senator WONG—You are the department with responsibility for whaling, so if there was legal advice about any international legal action to try and prevent whaling, one would assume and expect that this department would, if not have carriage of it, at least be aware of it. Yes?

Dr O'Connell—Yes. That is right.

Senator WONG—I want to go back to monitoring and the conundrum you raised, Dr O'Connell, which is essentially that we have to rely on Japan's figures because there are no international observers on the boats. Has the department considered the possibility of other monitoring activities, such as surveillance vessels or aircraft in the area in which Japan is undertaking whaling?

Dr O'Connell—In terms of a dedicated program to count the number of whales that have been killed?

Senator WONG—Yes.

Dr O'Connell—No. We have not.

Senator WONG—You have never been asked by the government for advice in relation to such a program?

Dr O'Connell—Not to my knowledge.

Senator WONG—So the government has never asked you to provide advice as to how Australia could in fact monitor the number of whales being killed in the Australian whale sanctuary?

Dr O'Connell—That is a different issue from a dedicated program of surveillance. It is monitoring the number. As I said, we provide the number.

Senator WONG—We can have an argument about verbs.

Dr O'Connell—It is an argument, I guess, about cost-benefit as well in terms of what additional information would there be that we would expect to get for the cost of dedicated surveillance, which would be fairly expensive in that you need to track the fleet and understand what is occurring in the fleet.

Senator WONG—Meaning it would cost too much to try to actually undertake surveillance to verify Japan's figures?

Dr O'Connell—It would be expensive. I guess the issue would also be: what would be the benefit? As I say, the benefit side of it is not obviously huge.

Senator WONG—I will steer away from the word 'monitoring', which I understood in this context to have the meaning that you and I, Mr McNee, discussed, which is looking at Japan's figures and attending and working through meetings of the IWC. Has the department

been asked to provide any advice to government as to the possibility of sending surveillance vessels or aircraft to Australia's whale sanctuary?

Dr O'Connell—There is a general surveillance of Southern Ocean areas that Australia has responsibilities for but if you are talking about specific surveillance for the whale hunting, no. But of course there is general surveillance that Australia does undertake for a range of security and resource management arrangements. In the Southern Ocean region, we have, for example, very extensive illegal fishing. So there is an extensive range of surveillance overall and that provides a range of information about activities in the region. But if you are asking about the specific pursuit of Japanese whaling, no.

Senator WONG—So the government has not sought advice or determined to undertake any surveillance of Japanese whaling in Australian waters?

Dr O'Connell—Not to my knowledge.

Senator WONG—In relation to the general surveillance which you have described for the Southern Ocean, there is no direction by government that that general surveillance extend to any active monitoring of Japanese whaling in our waters?

Dr O'Connell—I am not aware of any. But I have to say the nature of tasking for the surveillance assets has a whole range of implications unrelated to the whaling issue.

Senator WONG—I appreciate that. But I presume, again as the department with responsibility for the whales program, that if there were a direction for surveillance in the Southern Ocean which had relation to whale hunting, you would know about it?

Dr O'Connell—I would assume that too.

Senator WONG—And you do not know of any?

Dr O'Connell—And I do not know of any.

Senator WONG—Thank you. I want to come back in a moment to the legal advice.

Senator WEBBER—Perhaps before Senator Wong comes back to the discussions about legal advice, can someone update me on the government's Save our Whales community education campaign? What are the main elements of that apart from your former minister's wristband? Obviously they have not done as good a job with your current minister because I have not noticed him wearing one, but I note Senator Campbell is still wearing his.

Ms Petrachenko—Apart from the wristband, we have budgeted this year \$55,000 primarily for the website on whales and cetaceans generally. We produce information brochures and educational information. A lot of that \$55,000 is for a child's website to educate schoolchildren. They go on the website, they learn about whales and that is where they can order their wristbands online.

Senator WEBBER—Excellent. So you have been allocated \$55,000, and it is money for the website?

Ms Petrachenko—Yes. That is right. We also produce guides to whale watching. They are identification brochures so you can tell which type of whale you are seeing when you are out there. There is the same information about dolphins.

Senator WEBBER—Is the \$55,000 in addition to the money spent on the wristbands, or do the wristbands come under that too?

Ms Petrachenko—It is in addition to.

Senator WEBBER—How much money was spent on the wristbands?

Ms Petrachenko—In the last two years, \$120,000.

Senator WEBBER—And how many wristbands did we get for \$120,000?

Ms Petrachenko—We have distributed 64,000 plus to date.

Senator WEBBER—64,000?

Ms Petrachenko—Yes. A wristband costs 33 cents.

Senator WEBBER—And how many have you got left?

Ms Petrachenko—I think about 50,000. I am not quite sure about that.

Senator WEBBER—50,000 more to go. So is the new minister as keen on the wristbands as the old one? Is he going to maintain the public education and send them out?

Ms Petrachenko—I have yet to discuss that with him.

Senator WEBBER—As I say, you need to get him to wear one. I have not noticed him wearing one, unlike his predecessor. Has the new minister given any indication about maintaining the commitment to the Save our Whales community education campaign?

Ms Petrachenko—I have not heard otherwise.

Senator WONG—I want to go back to the legal issues. You indicated earlier, Dr O'Connell, that HSI's legal action against Kyodo Senpaku—is that how one says that?

Dr O'Connell—KSK, yes.

Senator WONG—I will start again. I think you indicated earlier that the department had sought some advice relating to the HSI's action against KSK for killing whales in Australia's Antarctic whale sanctuary. When was that advice sought?

Dr O'Connell—I do not think the advice was sought by the department. The Attorney-General intervened as a friend of the court and provided a submission. It was in the context of the Attorney-General's activities. That submission is on the record and we can provide you with a copy.

Senator WONG—I have not read it. As an amicus curiae, what was the position that was put by the government?

Dr O'Connell—The Attorney-General argued around the complex factors relating to the enforcement of Australian law against foreign nationals in the EEZ of the Australian Antarctic Territory and the potential adverse consequences of opening up discussions about Australia's Antarctic claim that it would be preferable if the court refused to grant leave to HSI.

Senator WONG—So we argued against the Humane Society International's position? The government argued against HSI's action against the Japanese whalers KSK?

Dr O'Connell—The Attorney-General's concern, as I understand it, related to the potential destabilising effect on the Antarctic Treaty system.

Senator WONG—The instructions in relation to this position being argued in the court came from the Attorney-General's Department—was that the instructing department?

Dr O'Connell—I think that is right, yes.

Senator WONG—Was the department of environment, particularly in relation to whales, asked to provide any advice on the position the government took?

Dr O'Connell—In relation to whales, no. This was a matter around the status of the Antarctic Treaty. Certainly there were discussions about the nature of the case and the nature of the Antarctic Treaty and the nature of the lack of recognition by other countries of our claim and the fact that the Antarctic Treaty system essentially relies on each country managing its own nationals but not taking any legal action against the nationals of others in the Antarctic Treaty structure. Of course, our EEZ is not recognised by the great majority of countries.

Senator WONG—On the government's position, the legal advice to which you refer was sought by Attorney-General's in the context of that case, not by this department?

Dr O'Connell—I think that is right. I would have to take that on notice to be absolutely sure about it.

Senator WONG—But this department sought no legal advice on the HSI case?

Dr O'Connell—That is my understanding.

Senator WONG—Was this department asked to provide any advice to Attorney-General's on the HSI case? Maybe Mr Early should come to the table. He will get a sore neck.

Dr O'Connell—It might help. In short form, there were obviously discussions between the departments at the time as to the nature of the value of the Antarctic Treaty system. With the Antarctic Treaty system in government, fundamentally the lead role is DFAT's. Our department has a significant role in terms of the responsibilities of the Antarctic Division. We certainly were involved in discussions around the responsibilities in this case. Overall, of course, the Attorney-General's Department has responsibilities in relation to legal policy. So those things, if you like, come together. Our department does not have the lead responsibility for the Antarctic Treaty process. It is actually Foreign Affairs.

Senator WONG—But you have lead responsibility for whales?

Dr O'Connell—We do.

Senator WONG—And this case did not only relate to the recognition of the Antarctic—

Dr O'Connell—No. We were looking at a whole-of-government approach. This was about a whole-of-government approach.

Senator WONG—If this is about a whole-of-government approach, where was the input regarding protecting whales in the position the government took in the case?

Dr O'Connell—The position that the government has taken is that the most effective likely way of protecting whales is to continue with the diplomatic efforts rather than through the courts. That is the position that the government has taken.

Senator WONG—Has the department considered any of the legal opinions suggesting that there is a strong case for taking the government of Japan to the International Tribunal for the Law of the Sea in relation to their whaling program?

Dr O'Connell—Not in any recent times, no. As I mentioned, we did have an exchange a while ago where we clarified some aspects. But certainly not in recent times. There has been no work on that. It is probably also worth me saying that there is a point where we move into very significant legal policy areas. I should not enter into those discussions because I am neither qualified nor in the right department. We are going into quite a lot of areas here which are about international legal policy.

Senator WONG—I am not asking you to determine a position on the legal advice. I am asking whether, as the department with responsibility for protecting whales in our Antarctic whale sanctuary, the department has considered legal advice and opinion suggesting that there is substantial merit in taking Japan to the International Tribunal for the Law of the Sea?

Dr O'Connell—Again, to my knowledge, we have sought no legal advice on that. There is plenty of legal opinion around the place in the public domain, but that is very different. We seek legal advice from the Attorney-General's Department.

Senator WONG—Is the department aware of, for example, legal opinion provided publicly on 31 October 2005 by Professor Donald Rothwell, Challis Professor of International Law at the University of Sydney, in relation to options for the Australian government taking action to oppose JARPA II, which I understand is Japanese scientific whaling in the Antarctic?

Dr O'Connell—Yes. I am well aware of Don Rothwell's work. I have discussed it with him, in fact, as he has discussed it with quite a few people in the government.

Senator WONG—Has this minister or the previous minister ever sought advice on Mr Rothwell's opinion for the department?

Dr O'Connell—Not to my knowledge.

Senator WONG—And no action has been taken to undertake some of the suggestions in that opinion? Would you like me to go through them?

Dr O'Connell—I recall them, I think. There has been no action by the government to pursue those options, no.

Senator WONG—Option A was dispute resolution mechanisms under international fora, such as the IWC, Antarctic Treaty system and the convention on the conservation of Antarctic marine living resources. No action was taken there by the government?

Dr O'Connell—No.

Senator WONG—There was no consideration by the government—we have discussed this—as to mounting a challenge in the International Tribunal for the Law of the Sea?

Dr O'Connell—No.

Senator WONG—No consideration inviting a case in the ICJ—International Court of Justice?

Dr O'Connell—No.

Senator WONG—Do Japanese fishing vessels access Australian ports to supply and refuel?

Dr O'Connell—No. Japanese vessels of any sort, do you mean, rather than whaling vessels?

Senator WONG—Sorry, whaling vessels.

Dr O'Connell—Whaling vessels, no.

Senator WONG—They do not?

Dr O'Connell—No.

Senator WONG—I think you have indicated that Australian fisheries protection vessels have not been asked to monitor the activity of the Japanese whaling fleet in the Southern Ocean sanctuary or the Antarctic Treaty area, to your knowledge?

Dr O'Connell—No, not to my knowledge.

CHAIR—Senator Siewert, do you have any questions?

Senator SIEWERT—Of marine, yes.

Dr O'Connell—At last.

Senator SIEWERT—While Senator Wong is looking up her next question, I want to ask a quick question about whether you would be aware of the IFAW advice.

Dr O'Connell—That is related to Don Rothwell's advice.

Senator SIEWERT—Yes, it is. But there is a whole lot of other people's advice in there as well.

Dr O'Connell—That is the panel, if that is what you are talking about.

Senator SIEWERT—Yes.

Dr O'Connell—That panel's advice has been discussed in the IWC context quite widely. Don Rothwell's advice is essentially part of that whole process. So those issues have been discussed very widely within the IWC context. The technical legal policy sides are not something that I am able to sensibly discuss, really.

Senator SIEWERT—So who should we ask about that?

Dr O'Connell—Well, I guess in terms of legal policy, it is probably best to ask the Attorney-General's Department. In terms of the Antarctic Treaty system and its management, it is probably best to talk to Foreign Affairs. But the Attorney-General's Department is where the government will tend to go for its overall legal policy.

CHAIR—It is now 10.45 am, so we will have a break of 15 minutes. We will come back at 11 o'clock.

Proceedings suspended from 10.45 am to 11.03 am

Senator WEBBER—I know Senator Wong is also required in the Senate Standing Committee on Finance and Public Administration estimates hearings, so I am not sure where we are at with that. Perhaps I can ask a couple of questions about general representation and

government work in the anti-whaling campaign. The Japanese tried to convene a meeting earlier this week regarding so-called normalisation. Australia did not attend that, did we?

Dr O'Connell—No, we did not.

Senator WEBBER—Did we ever consider attending it?

Dr O'Connell—No. The conservation like-minded countries discussed this in a meeting in Washington—I cannot remember the exact date—recently and decided that as this was a meeting that was outside the IWC and it was designed essentially to promote the pro-whaling agenda, we would not attend.

Senator WEBBER—How many other countries decided not to attend, do we know?

Dr O'Connell—About 30 countries have not, I think.

Senator WEBBER—In that case, can the department provide details of any representations that Australia has made recently or is undertaking through the International Whaling Commission or other relevant regulatory bodies expressing our opposition to the slaughter of whales?

Dr O'Connell—We can do that in some detail or, if you prefer—

Senator WEBBER—Or both.

Dr O'Connell—In a sense, we operate primarily through the IWC to oppose whaling. Over the last few IWCs, a minister from the government has turned up to promote that, which is still unusual in the IWC context. So the profile, if you like, of Australia in the conservation sector of the IWC is very large.

Senator WEBBER—Perhaps you could provide the committee with just an outline of what activities you have undertaken since we last asked a question like this. That would be useful. While Senator Siewert is collecting her thoughts in the rush from one committee to another, I want to return to the websites on the community education campaign. As I understand it, we have two. We have the children's website. Have we got a more general one? I must admit I have not actually looked at the website. I know all about the wristbands. That is the \$55,000. Is the maintenance and the operation of that website outsourced or run by the department?

Mr McNee—The development of the website has elements that are outsourced to others. But once it has been developed, it is maintained and updated within the department.

Senator WEBBER—The \$55,000 is for maintenance?

Mr McNee—And development. The children's website is in fact still under development.

Senator WEBBER—Who is developing that for the department?

Mr McNee—I would have to take that on notice because I am not quite sure of the name of the company.

Senator WEBBER—That is fine. We might go on to other marine issues now.

Senator SIEWERT—I have quite a few on marine. What is the progress on regional assessment? Where are they up to? I am particularly interested in the proposed north-west one and when it is likely to come on stream and the resources available for it.

Ms Petrachenko—Where we are at with the overall program this year is we are working to release in the coming months the south-west profile. So that is for the south-west region. I am having a look at some of the drafts in this timeframe. With the work on the north-west, we are undertaking right now the scientific programming. We go out to the various scientific bodies. The next step will be to look at determining areas of ecological significance in the north-west. So we are really just starting that one from the data gathering point of view. We are further ahead in the north. So that is from the WA-NT border east. We have one area where we are finalising a report with the CSIRO on the western portion of the region in terms of, again, the ecological characteristics. We anticipate that in the coming months being finalised so that we can then move, as we are in the south-west, with the profile of the north later this calendar year. In the east, which is the east coast outside the Great Barrier Reef, we are again working with science providers. We will be going out in the coming weeks starting to collect the information on the east.

Senator SIEWERT—I will do the south-west first. Is that going to be released as a draft?

Ms Petrachenko—It will be released as a profile, hopefully, in April this year.

Senator SIEWERT—As a profile, what is the process? It will go out for public comment?

Ms Petrachenko—That is right. The idea with the profile is to bring together all the information, identify the ecological characteristics and identify key conservation values in the region. We will also have specifications for the identification of marine protected areas in the region. So what types of features will be important to be represented. That will go out for public comment. We will take additional information. We want to make sure we have not missed something from a scientific or public point of view.

Senator SIEWERT—When you say collecting the science, who is ‘we’? Is WA on board or not?

Ms Petrachenko—In terms of the science, we work primarily with CSIRO, but we do get information from other scientists who have worked in that area. The process we will be taking in the north-west is similar to what we did in the south-west, where we had in the south-west about 22 scientists who had worked on various parts at various institutes come together for a workshop, where we provided the base information. They then gave us their scientific expertise on the interactions, for example, between oceanographic processes and the biological processes and identified key future currents. All of that we are putting together. The same thing will be done in the north-west.

Senator SIEWERT—So who is the team that is doing that? Is that based in the department?

Ms Petrachenko—Yes. It is based in the branch I have in my division—the National Oceans Office branch in Hobart.

Senator SIEWERT—Are you tapping industry on the shoulder? In the north-west in particular, they are the mob that has the best information up there.

Ms Petrachenko—Yes. Our branch head from Hobart has met in WA with a lot of the oil and gas people, so we have had initial discussions about that. We also deal with Geoscience Australia in terms of data and information.

Senator SIEWERT—Have you established a stakeholder group yet? What is the process you will be doing there?

Ms Petrachenko—Nationally we have the National Oceans Advisory Group. In fact, they just met this week. They were in town for a day-and-a-half. So they are a peak stakeholder group that represents all of the various ocean user interests in the academic community. They met this week. As we go through the process, we take pieces of our approach to them and get their views. We have yet to set up a stakeholder group for the south-west, which is the most further advanced. We have not done that for any of them yet.

Senator SIEWERT—In the south-west, you have SCRIPT fairly heavily involved, though. There has been a lot of work done there. The north-west is entirely different.

Ms Petrachenko—Yes. I would say we are about a good nine months to a year from that part of the process.

Senator SIEWERT—So there are really no stakeholders in Western Australia who are engaged in this process yet?

Ms Petrachenko—Not in the north-west, no.

Senator SIEWERT—How is the Marine Futures project engaging with that?

Ms Petrachenko—My branch head from Hobart is on the committee for the Marine Futures with WA. We have signed a memorandum of understanding between our department and the WA fisheries and the WA Department of Environment and Conservation. So we have a memorandum of understanding that we have signed about sharing data and information and, as we go through the process, to look at using regional stakeholder bodies. So I will be going out to WA in about a month to look at how we progress that.

Senator SIEWERT—Can you remind me: what are the boundaries for the north-west one?

Ms Petrachenko—It starts down from South Australia.

Senator SIEWERT—No, north-west.

Ms Petrachenko—North of Fremantle all the way to the WA-NT border.

CHAIR—North of Fremantle?

Ms Petrachenko—Just north.

Senator SIEWERT—So that is what north-west is?

Ms Petrachenko—Yes. It is a very large area.

Senator SIEWERT—I am wondering why you have not yet engaged the stakeholders because (a) there are people who are extremely interested in this and (b) there are some hugely problematic areas there, which you well know about. I am wondering what the thinking is when there are various very actively engaged marine bodies in Western Australia.

Ms Petrachenko—The approach we are taking is to engage first with the scientific community so that we have some baseline information and then to set up appropriate regional bodies and engage with the stakeholders. So we will be doing that very shortly in WA.

Senator SIEWERT—You said 12 months, though, didn't you?

Ms Petrachenko—No. That is for the north-west.

Senator SIEWERT—I am talking about the north-west one. The south-west one people know about and engage because of the process that has been going on there and because of SCRIPT. But people are not engaged with the north-west one.

Dr O'Connell—There certainly will be very extensive stakeholder involvement. As you indicated, we are very aware of the nature of the heavy use of the area and the high values of the area as well. So there will be extremely close stakeholder involvement. A great deal of the information is held by people like the petroleum exploration industry, so we need to be able to work with them. We know that well.

Senator SIEWERT—What is the timeline for the north-west one for stakeholder engagement?

Ms Petrachenko—It would be about nine to 12 months. Again, the difficulty is getting all of the scientific information together. That is what we are concentrating on for the next six months. Then we go into the development of the profile. I will also be talking to the WA government about this to get their views on how to approach the various stakeholders.

Senator SIEWERT—Is there a funding allocation for the north-west one?

Ms Petrachenko—Yes, there is. I do not have it at my fingertips. I will have to take that on notice.

Senator SIEWERT—If you could, that would be appreciated. You must be aware of the proposals for the Kimberley coast, in particular Scott Reef, by Woodside and another company.

Dr O'Connell—You are looking here at potential proposals. We may need to call on the ever-helpful Mr Early again if are you going to talk about the particular projects.

Senator SIEWERT—I am using them as examples. Currently, there is no regional planning going on up there. There are some projects coming on line. You can guarantee there will be more. There is a significant lack of planning around them. Has your process got the potential to actually assist that process to do some resource sharing and decent planning?

Ms Petrachenko—Yes. The approach in the profile is to have not just the scientific information and what I spoke about earlier—ecological processes and those things—but also patterns of use in the area, be it fishing, port development, oil and gas shipping and submarine cables. All of those things we include as part of a chapter in the profile of existing uses and potential uses and the interaction with conservation values and ecological processes.

Senator SIEWERT—I want to go back to the financial resources for this process. Could you provide a breakdown of the figures for each of the processes.

Ms Petrachenko—Yes, I can.

Senator SIEWERT—For the north, the north-west and the south-west.

Ms Petrachenko—Yes.

Senator SIEWERT—I suppose we should ask about theirs. That would be appreciated. I have more marine questions. I also want to ask for a clarification. Where do wetlands now sit, besides suffering a lot at the moment?

Dr O'Connell—The water division.

Senator SIEWERT—I knew you were going to say that.

Dr O'Connell—It could be fairly obvious, of course.

Senator SIEWERT—It comes under biodiversity as well. I want to ask about Ramsar.

Dr O'Connell—They have moved. In fact, what occurred was one of the divisions lost some functions and moved over to the marine division. The other, which was the Ramsar component, stayed with the division, which became one of the two new water divisions. More or less anything inland and wet is with the water division.

Senator SIEWERT—So they do not come under biodiversity at all?

Dr O'Connell—No. They come under the water division.

Senator SIEWERT—I do not know if anybody else put it on the record, but I am disappointed that Water officers did not tell us earlier that they were not going to be here today. I have lots of Ramsar and wetlands questions to ask, which is pretty predictable given the current situation facing Ramsar and our wetlands. So I am really disappointed they did not tell us earlier in the evening that they were not going to be here; otherwise, we would have changed the program.

Senator WEBBER—Exactly. We would have asked the director of the environment today, rather than start and then go on to water. It was very unfortunate that we were not told until 9.30 at night.

CHAIR—It is unfortunate, but you can put the questions on notice and they will be back in May.

Senator SIEWERT—Yes, I know. And I also know that questions on notice do not get answered until just before next estimates, so the information that I want and I think the officers could have answered I now have to wait for until June.

CHAIR—We have asked them to be more expeditious.

Senator WEBBER—I think it is important to place on the record that, considering it is the major agency this committee deals with, it was unfortunate, to be polite, that the committee was told so late in the process about the availability of officers.

Dr O'Connell—I apologise for that on behalf of the department.

Senator SIEWERT—I understand you cover assessments for some of the fisheries stuff.

Ms Petrachenko—Yes.

Senator SIEWERT—Should I be asking you about CITES, or should I have been asking—

Ms Petrachenko—Potentially.

Senator SIEWERT—I understand that the department has been preparing the nominations under CITES for the snaggletooth shark.

Ms Petrachenko—Yes.

Senator SIEWERT—You spent quite a bit of time preparing the nomination. Has there been a decision not to put it in?

Ms Petrachenko—Yes.

Senator SIEWERT—Could you explain why.

Ms Petrachenko—The process we underwent, since we last spoke, was we consulted with the other range states. The snaggletooth shark listing was for snaggletooth sharks, and there was a look-alike provision which would have applied to about 14 other sharks. The reaction we received from range states was that some supported the snaggletooth shark nomination and did not support the look-alike provision. Some supported the look-alike and not the snaggletooth shark. We felt we did not have sufficient to bring it forward at this time, so we are working towards the next COP—which will be three years from now—and trying to develop support.

Senator SIEWERT—In the next three years? Are you going to be looking at other species? It seems to me you have spent 18 months working on this nomination and that means you have not been working on other species. In the next three years, are you going to be picking up other species as well?

Ms Petrachenko—Yes.

Senator SIEWERT—Can you tell me what you are likely to be concentrating on, or is that a state secret?

Mr McNee—Sharks are very susceptible, as we know, to overharvesting, so it will be that suite of sharks, particularly in Northern Australia, where we know the pressures are very strong, to look at what options are available to get effective management.

Senator SIEWERT—So you are going to stick with the shark theme?

Ms Petrachenko—Unless something else comes up in the meantime as well.

Senator SIEWERT—What is the main opposition from the other range parties?

Dr O'Connell—It is probably just worth saying that there is a general opposition by many fishing nations to any fish which are commercially harvested being put on CITES. So we have a major first hurdle there. That is probably the key first hurdle. That said, we had reasonable support, I think, for the snaggletooth. The snaggletooth on its own probably would not cause the problem.

Senator SIEWERT—Without the look-alikes?

Dr O'Connell—It is the look-alikes. But then, of course, the point in part is the look-alikes.

Senator SIEWERT—It is pointless doing just the snaggletooth without them?

Dr O'Connell—It is an area where you do not start this and expect to persuade everybody in a one- or two-year job. It is quite a long haul to pursue something of this nature and persuade people of the balance of benefits of looking at CITES in commercially harvested species. That is the basic problem we face, I think.

Senator SIEWERT—I want to go to the touchy subject of SBT.

CHAIR—What, Senator?

Senator SIEWERT—Southern bluefin tuna. Do you have any more now on the management of southern bluefin tuna, or is it solely in the hands of fisheries now? What ongoing work do you take on this?

Ms Petrachenko—We have ongoing responsibility under the EPBC Act in terms of the sustainable fisheries portions, where we assess the fisheries in terms of the management arrangements for ecological sustainability. So we have that ongoing responsibility, and southern bluefin tuna will be reviewed again.

Mr McNee—The WTO for southern bluefin tuna needs to be reviewed by 20 November this year.

Senator SIEWERT—My understanding from the WTO is that a number of organisations are concerned that their provisions are actually weaker than ours and that that will be the lower benchmark. Is that a legitimate fear, or don't we need to worry about that?

Mr McNee—Which provision are you referring to?

Senator SIEWERT—The concerns that have been expressed to me are that WTO provisions for sustainability assessment are in fact weaker than our criteria.

Ms Petrachenko—The WTO criteria—

Senator SIEWERT—Yes.

Ms Petrachenko—And the criteria in the EPBC Act allow the minister to authorise a wildlife trade operation. So those criteria for sustainable fisheries are ours.

Senator SIEWERT—So you will use our criteria—

Ms Petrachenko—Yes.

Senator SIEWERT—to do assessments to meet WTO requirements?

Dr O'Connell—I think there is a slight confusion. WTO here is shorthand for wildlife trade operation.

Ms Petrachenko—Not the World Trade Organisation.

Dr O'Connell—Not the World Trade Organisation. Wildlife trade is an approvals process that we undertake.

Senator SIEWERT—And you will be using?

Dr O'Connell—Our criteria.

Senator SIEWERT—Our criteria. And there will be no weakening of the normal process that you use?

Ms Petrachenko—No.

Senator SIEWERT—Can you confirm that November is the next assessment?

Ms Petrachenko—Yes. It is 20 November.

Senator SIEWERT—Where are we up to with the grey nurse?

Mr McNee—You are talking about the ocean trap and line fishery in New South Wales?

Senator SIEWERT—Yes.

Mr McNee—That is actually the subject of proceedings in the Administrative Appeals Tribunal today. The situation is that, with the wildlife trade operation, HSI has asked for a reconsideration by the AAT. That is in process currently.

Senator SIEWERT—So you cannot comment on that?

Mr McNee—No.

Senator SIEWERT—I cannot ask you about any Ramsar listing?

Ms Petrachenko—Sorry.

Senator SIEWERT—I cannot ask about the review?

Dr O’Connell—The Great Barrier Reef review?

Senator SIEWERT—No. The wetlands review. The government supported a notice of motion of mine to review the management of Ramsar wetlands. I understood that the department was starting to work on the review.

Dr O’Connell—I would have to take that on notice, I am afraid. Tony Slatyer’s division would be able to help you.

Senator SIEWERT—If you could. I will also write up some questions on notice because I actually want to ask about the progress of a specific nomination as well. So I presume you cannot help with that either?

Dr O’Connell—No, I cannot, I am afraid.

Senator SIEWERT—I will just keep pushing my luck. I think they are all my marine questions, thank you.

CHAIR—Where do we go next? We will call Heritage Division officers.

Senator WEBBER—I do not know whether you are familiar with the opening questions we ask of every division. Do you want to give me the information that you have or do you want me to go through it bit by bit?

Mr Burnett—I am responsible for output 1.4, conservation of natural indigenous and historic heritage. I have some figures here for you. Before I give them to you, I just need to give a technical explanation. The figures I have for 2005-06—the previous financial year—are actual end of year outcome figures. The other figures I have are expense based. They may differ slightly from the budget based figures, which are revenue based. If when the department subsequently provides the figures there are slight discrepancies between the numbers, it is because of technical accounting reasons.

Senator WEBBER—That is fine.

Mr Burnett—For 2005-06, Heritage Division for output 1.4 spent \$22.8 million for departmental expenses and \$24.4 million for administered items. For the current year, our expense budget is \$23.8 million for departmental expenses and \$15.4 million for administered items. In forward years, for 2007-08, it is \$23.8 million for departmental and \$8.4 million for administered. For 2008-09, it is \$26 million for departmental and \$5.2 million for administered. For 2009-10, it is \$25.7 million for departmental and \$5 million for

administered. I think the other question was expenditure year to date. I do not have exact figures, so I will take that on notice.

Senator WEBBER—That is fine. Administered items seems to be substantially decreasing. What is that due to?

Mr Burnett—It is because they are forward estimates. Forward estimates often tail away because the government is yet to take future budget decisions. So those forward estimates may change through the budget.

Senator WEBBER—I understand that, but there is a significant difference between 2005-06 and 2006-07.

Mr Burnett—Of \$24.4 million and \$15.4 million?

Senator WEBBER—Yes.

Mr Burnett—That would be because the division administers a number of ad hoc grants. Typically they relate to churches and cathedrals. Because they are ad hoc, they vary significantly from year to year. The underlying expenditure for our main ongoing programs does not change significantly between those two years.

Dr O'Connell—Just to be helpful, the environment budget overview for 2006-07 contains a great deal of the detail that you are looking at. So we could provide you with copies of this.

Senator WEBBER—That would be excellent. As I say, part of my problem is that you have restructured yourself since the last time I was here and I do not know what is where any more, particularly with the conundrum of water and wetlands and what have you. Does your division have anything to do with climate change?

Mr Burnett—We do not have any direct responsibilities for climate change, but we do get involved from time to time with particular climate change issues when they have a relationship with heritage.

Senator WEBBER—And what kind of climate change issues would they be?

Mr Burnett—The major one we have at present is a project looking—we are doing this jointly with the Greenhouse Office—at climate change impacts on World Heritage areas. There has been a report commissioned from the Centre for Resource and Environmental Studies at the ANU looking at what the potential climate change impacts might be for each of Australia's 16 World Heritage areas, what the gaps in knowledge might be and what options there might be for adaptation to those climate change impacts. That is a current project.

Senator WEBBER—That is a current project. When do we expect that to be completed?

Mr Burnett—It is currently in draft and out for peer review. I do not have an exact date, of course, but some time towards the middle of the year.

Senator WEBBER—The middle of the year. Will that then be a public document?

Mr Burnett—That will be a decision for the minister at the time.

Senator WEBBER—Perhaps now would be a good time to have a conversation about the Burrup—it is as good a time as any. Has the department commissioned any research into the heritage values of rock art up in the Burrup?

Mr Burnett—I will ask Mr Bailey to take these questions.

Mr Bailey—The department has commissioned two pieces of research related to the Burrup. In 2005, a report was prepared for the department and for the Australian Heritage Council. That report was updated in 2006.

Senator WEBBER—Is that report publicly available?

Mr Bailey—The report has not been made publicly available, broadly speaking. It has been provided to all those owner-occupiers and Indigenous people with a right or interest in the places.

Senator WEBBER—Is it intended that it will become publicly available?

Mr Bailey—That, again, will be in the broad sense a decision for the minister. That is the 2005 report only at this stage.

Senator WEBBER—That is the 2005 report. Is the department connected with anything else in the Burrup?

Mr Bailey—An update of that report in 2006.

Senator WEBBER—So that is the only work complete? There is no other not-released work anywhere?

Mr Bailey—No.

Senator WEBBER—Is the only reason the Burrup report has not been publicly released that we are waiting for the say-so of the minister?

Mr Bailey—There are still some aspects in the 2006 report that we need to clear in terms of copyrights of information provided. There are also potential cultural sensitivities associated with photos within the report that will need to be cleared by relevant traditional owner groups.

Senator WEBBER—On 25 January, the former minister, Senator Ian Campbell, indicated that a national heritage listing for the Burrup was imminent and that that would involve a compromise between conservation interests and industry. Can you tell me where that listing is at?

Mr Bailey—The process that has been followed is that back in November we had a call for public comments, which were received by November. Those comments are currently being considered by the minister. The minister has, under the current statutory framework, until the 23rd of this month to consider those submissions.

Senator WEBBER—Part of considering those submissions will determine whether in fact a listing should take place. So it was not really imminent as such, if we are still considering public comment?

Mr Bailey—We are considering comments. The minister has until the 23rd to consider those comments under the current statutory framework.

Senator WEBBER—Is it the intention, then, that a further announcement will be made about what is happening with potential listing in the Burrup?

Mr Bailey—The minister has until the 23rd under the current statutory framework to make a decision, so you would expect a decision associated with that statutory deadline.

Senator WEBBER—So it was not quite that imminent after all on 25 January.

Senator SIEWERT—Is the minister going to be making an announcement on 23 February about listing, or will it be an announcement of further deferral?

Mr Burnett—That is for him to decide.

Senator Colbeck—That is the minister's prerogative.

Senator SIEWERT—Have you had an update on how much art has been moved from site A?

Mr Bailey—Not an update on how much art has been moved from site A, but we have a clear understanding of what was going to be moved on site A, yes.

Senator SIEWERT—But you do not know how much has been moved to date?

Mr Bailey—Not since the end of December, no.

Senator SIEWERT—Does anybody know publicly how much has been moved beyond the rumours that I have heard?

Mr Bailey—The administrative approvals for them are actually given under Western Australian legislation, so it is not an area that we have information on.

Senator SIEWERT—So despite the fact that you are currently undertaking the heritage assessment, you have not checked with WA what has been moved?

Mr Bailey—Not in terms of the movements that are going on for the footprint on site A. But we did a thorough analysis of the footprint of site A through December, including viewing all the petroglyphs and stone arrangements within that area.

Senator SIEWERT—Has the WA government reported to you on its most recent consultation with the custodians?

Mr Bailey—I am unclear, Senator, what you mean.

Senator SIEWERT—The WA government has recently been in Karratha holding meetings with the custodial groups. I am wondering whether they have communicated to you the outcomes of those meetings.

Mr Bailey—Not those specific meetings, no.

Senator SIEWERT—Do you intend to contact the WA government again before the minister makes an announcement one way or the other on 23 February?

Mr Bailey—We are in regular contact with the Western Australian government in terms of looking at the site and the national heritage values on the site.

Senator SIEWERT—But they have not provided you with an update of their latest round of consultation?

Mr Bailey—Not their most recent round, no.

Senator SIEWERT—Can you tell me if the department is aware of any discussions being held with the north-west joint venturers in terms of possibly relocating the plant on their site? You are no doubt aware of what I am talking about.

Mr Burnett—Discussions between which parties?

Senator SIEWERT—Has the Commonwealth undertaken any facilitation of discussions between Woodside and the venturers? Has the Commonwealth undertaken any discussions directly with the joint venturers?

Mr Burnett—Not through this portfolio.

Senator SIEWERT—Is there another portfolio that that would likely have occurred through?

Mr Burnett—It is possible that the industry portfolio may have been involved in that kind of issue. But we do not have any direct knowledge of that. You would have to ask them.

Senator SIEWERT—So the department has been in no discussions with a view to finding an alternative site for Woodside?

Mr Burnett—No.

Senator SIEWERT—Can I ask why not?

Mr Burnett—It is not our role. Our role under the EPBC Act is to deal with the national heritage nomination and to provide advice to our minister in relation to that nomination and assessment.

Senator SIEWERT—Despite the fact that it has national heritage values that we are trying to ensure are protected.

Mr Burnett—That is what we are examining and providing advice on to our minister—the national heritage values found by the Australian Heritage Council.

Senator SIEWERT—Do you have any direct contact with the custodians?

Mr Bailey—Yes. We have had a number of consultations with the traditional owner groups, the custodians from the region. We have met on all clear decision points through the process. We have sought written consultations as well as given in-person consultations. We continue to do that work.

Senator SIEWERT—Have you spoken to them recently?

Mr Bailey—The last time I spoke to the groups directly and in person was late last year.

Senator SIEWERT—So you have not had any contact with them since late last year?

Mr Bailey—We have had contact with them, yes. But in terms of in-person contact, it was late last year. We have had a number of phone conversations on other aspects since that time.

Senator SIEWERT—Have you spoken to them about site B and their opinions about site B?

Mr Bailey—Not directly about their opinions on site B. We continue to do our work under the assessment for the National Heritage List and our role and responsibilities in that regard only.

Senator SIEWERT—Have you reviewed CALM's proposed management plan for the area? I am talking about the whole of the peninsula now, not just the Woodside site.

Mr Bailey—We have read and looked at the CALM proposed management plan, yes.

Senator SIEWERT—Did you provide any comments during the public comment period?

Mr Bailey—We did not submit in the public comment period, no.

Senator SIEWERT—Have you an opinion on that plan? Has the department got an official position on the plan?

Mr Bailey—No, not on the draft plan itself. No, we have not provided through public comment an official position on the plan.

Senator SIEWERT—Are you providing any advice to the minister on the plan?

Mr Bailey—We are providing broad advice to the minister on the implications of national heritage listing for the whole of the Burrup Peninsula and the Dampier Archipelago, yes. That area is inclusive of that.

Senator SIEWERT—I am not trying to verbal you, but do I interpret your comment just then that you would provide advice to the minister on the impact of the management plan on the heritage values of the Burrup?

Mr Bailey—We will have awareness in terms of the minister and the management implications for national heritage listing on the Burrup and the Dampier Archipelago, yes.

Senator SIEWERT—So you are aware of the plans for the road and other industrial sites. Would you comment on those proposals to the minister?

Mr Bailey—We will provide advice on the management implications associated with the national heritage listing, yes.

Senator SIEWERT—You have already, or you will do?

Mr Bailey—We have and we will continue to, yes.

Senator SIEWERT—Do you believe that it has implications for the management of the heritage values of the Burrup?

Mr Bailey—At the moment, it is such a broad scale that you would have to look at what sites might be identified in the field and then have an assessment against the national heritage values identified by the Australian Heritage Council in its assessment to actually determine whether they would have a significant impact on the national heritage values.

Senator SIEWERT—I would have thought you would have thoughts about whether extending the road beyond the jump-up would have impacts. The broader proposal of essentially extending the industrial zone would, regardless of which specific sites you are talking about, in terms of opening up the Burrup. There is no doubt that that road will open up the northern Burrup, which, as you know, has very limited access at the moment. Opening up some of those areas for further industry will also have an impact, without us actually looking at the specific sites. Have you commented on that? Have you provided advice on that?

Mr Bailey—I think that is getting into some areas of uncertainty in terms of what the proposals would be. The application is in consideration of what the proposals actually are. We would look at them in detail in terms of whether they are likely to have a significant impact on the national heritage values.

Senator SIEWERT—The management plan is quite clear. There is a proposal to extend the road.

Mr Bailey—Yes. I realise there is a proposal to extend the road. That would be looked at if the area was included in the National Heritage List for both its direct impacts and on the site. We would look at that in some detail. But whilst there is that proposal, the steps beyond that proposal are still very unclear at the moment. We would be looking at those aspects.

Senator SIEWERT—Are you saying that instead of actually getting one step ahead of the game, it is only when they decide they are actually going to apply for funding to build the road that you would get involved?

Mr Burnett—It is getting a bit hypothetical because it depends on what point in time we are talking about. For example, you might be talking about after there had been a national heritage listing, if such a listing occurred, and whether there were any agreed management arrangements associated with such a listing. It is a hypothetical question that is very difficult to answer at this point in time. Can I address it by saying that, as you would be aware, the previous minister initiated discussions with Western Australia and industry on possible management arrangements. He made public statements that he was keen to see possible arrangements considered and progressed. We are part of an ongoing dialogue with the WA government and with industry looking at possible arrangements. That dialogue and that examination will need to look at all the potential issues associated with the area that has values.

Senator SIEWERT—A couple of questions arise out of that for me. Are you including the custodial groups? You said the WA government and you said industry. What about the custodial groups? Are they involved in those discussions?

Mr Burnett—Not at this immediate point in time. But we do have an ongoing dialogue with the traditional owners. The previous minister did stress the importance of the traditional owners to the process as well as industry and the WA government.

Senator SIEWERT—Why aren't they involved in those broader discussions?

Mr Bailey—The discussions at the moment are looking at the submissions that were made under the current 324H provisions. We are looking through them currently. That is the area on which we need to provide the current advice to the minister. But we are continuing to maintain dialogue with the traditional custodians for the area.

Senator SIEWERT—The comment was just that these are longer term management arrangements. That is how I interpreted it.

Mr Burnett—Yes. There are discussions on possible longer term management arrangements.

Senator SIEWERT—So industry gets a say but the traditional owners, the custodians, don't?

Mr Burnett—No, that is not right. We would need to crystallise some specific proposals before we could go into a more detailed discussion with the traditional owners. We are in the very early stages of still assessing the submissions, as Mr Bailey referred to, and looking at what the implications are.

Senator SIEWERT—I think there are two separate processes we are talking about here: the continuing assessment process at the moment and the longer term management discussions. Can you tell me who you are talking to from industry?

Mr Burnett—We are talking to Woodside, Rio Tinto and the North West Shelf joint venture.

Senator SIEWERT—You are talking to the North West Shelf joint venture about the ongoing management issues but not about collocating Woodside there—is that correct?

Mr Burnett—That is correct.

Mr Bailey—I should just also note that we have broader consultation going, as we mentioned, with the custodians. We have a broader group of stakeholders that we do meet with regularly as well. They are representatives of other industry groups through the Burrup industry forum. We also hold consultations with Roebourne shire and a number of other groups.

Senator SIEWERT—So that is a third process?

Mr Bailey—The processes are run in parallel, in effect, if you like, but there is a broader stakeholder consultation process going on as well.

Mr Burnett—And there is the National Trust as well.

Senator SIEWERT—So on the 23rd can I take it that there will be some form of announcement saying, ‘We’re going to list this bit and we’re not going to list this bit’ or ‘We’re going to defer?’

Dr O’Connell—It is the minister’s call to make an announcement, not ours. The 23rd is the statutory time frame where he either makes a decision or extends the process.

Senator SIEWERT—I was not asking you to confirm what the decision was. Will there be something on the 23rd telling us the state of play?

Dr O’Connell—You would expect that, yes.

Senator SIEWERT—It is marked on my calendar. I have other heritage questions. I would like to know where Ningaloo is up to.

Mr Burnett—Ningaloo has not moved significantly in recent times. I think, yes, it is still in the same place.

Senator SIEWERT—Damn. It needs to move south because of climate change.

Senator WEBBER—It does, really.

Mr Burnett—I think two or three estimates ago there was discussion about this. Senator Campbell himself talked about concerns that he had raised with the WA government about the position of rural leaseholders in the area. He was concerned that their concerns have to date not been properly addressed by the WA government. That remains the position. We have not had a formal response, to my knowledge, from the WA government on progress on that aspect.

Senator SIEWERT—It is slightly unfair of me to say you have not discussed it with the new minister to see if there is a change of direction.

Mr Burnett—Bear in mind, Senator, that the new minister has only been around for a couple of weeks.

Senator SIEWERT—That is what I mean.

Mr Burnett—We have briefed him on a number of heritage issues, but that is not one that has arisen to date.

Senator SIEWERT—You have written to the state government. Have you written to some of the other stakeholders involved about getting their opinion on what the local landholders may or may not think about world heritage?

Mr Burnett—I would have to check to be sure, but my understanding, without consulting the files, is that Senator Campbell wrote to his ministerial counterpart in WA raising these issues. I think the government's position is that it is really up to WA to address those issues and then come back to the Commonwealth. WA is running the consultation process and developing the proposal. The ball is really in WA's court. As far as I am aware, we have not corresponded directly with those stakeholders. There may have been some ministerial correspondence, but I do not recall seeing any.

Senator SIEWERT—It just seems quite extraordinary to me that World Heritage listing might be held up on what is undoubtedly a site of potential national significance. A group of landholders writes and says, 'We've got a few concerns' and they are not checked with anybody else. I have doubts as to whether if environment groups wrote to the minister and said, 'Blah, blah' he would hold up a World Heritage listing for that.

Mr Burnett—I cannot comment on that. Senator Campbell explained his position at the time. I cannot add anything to that.

Senator SIEWERT—It has not changed at all?

Mr Burnett—Mr Bailey has just pointed out to me that the operational guidelines of the World Heritage Convention require community consultation. Obviously that has to be seen through to a satisfactory conclusion. It is the WA government that is running that community consultation. As I say, it is a matter for the WA government at this point.

Senator WEBBER—But it is not all the prime landholders who have the issues, is it?

Mr Bailey—No.

Senator WEBBER—Some of them are supportive of it.

Senator SIEWERT—Has anybody bothered to check the veracity of their claims besides writing back to the WA government?

Mr Burnett—It is up to the WA government to deal with the issues and come back to the federal government and say they have been resolved in a certain way.

Senator SIEWERT—I understood that the WA government had written to the federal government talking to them about the Ningaloo nomination. Is that right?

Mr Burnett—There has been ongoing correspondence over a period of time, yes.

Senator SIEWERT—What you are saying is that a group of pastoralists decided they do not like the idea so now it has been put on hold. That is essentially what you are saying.

Mr Burnett—That is not the way I would describe it. I cannot add anything to what Senator Campbell said.

Senator Colbeck—That is your spin on it. The officials are not required to do the same or agree with you.

Senator WEBBER—I think it is important to note that not all the pastoralists are creating the problem. Some of the landholders do support it.

Senator Colbeck—You can put that on the record. But what the officials are saying is that some concerns have been raised. He has written to the Western Australian government, which is running the process. We are waiting as an Australian government for a response on that matter from the Western Australian government. If you are asking us to interfere in a process that another government is running, you can ask us to do that. But that is essentially what I assess what is being said by the officials.

Senator SIEWERT—Are you saying the Western Australian government has not responded at all, or is the response not satisfactory?

Mr Bailey—We are certainly aware that the Western Australian government continues to conduct the consultation that was discussed last year. It continues to consult with the pastoralists knowing that a number of pastoralists they have reached agreement with but there are still some outstanding agreements yet to be reached. The Western Australian department continues to do that consultation.

Senator SIEWERT—Have they written back to you in response to the letter? We are talking about 12 months ago or more.

Mr Burnett—More than 12 months ago. About 15 months ago.

Senator SIEWERT—Have they responded to that letter coming back, explaining where they are up to?

Mr Burnett—There may well have been correspondence in that time, but my point is that the issue is not resolved from the point of view of the Australian government. The issue is unresolved.

Senator SIEWERT—That is what I am trying to get to. Has the WA government written back explaining why they cannot make the pastoralists happy or that they do not think it is an issue or they have tried to resolve it and cannot and will not proceed? Or have they written back, saying, 'Watch this space'?

Mr Burnett—I cannot recall. Would you like me to take it on notice?

Senator SIEWERT—I would. Yes, please. I want to know whether the minister is now going, 'Well, I'm not happy with your response' or whether WA has not tried to explain it yet.

Mr Burnett—I understand.

Senator SIEWERT—There is a crucial point.

Mr Burnett—I understand what you are saying. As I said, we still think the ball is in WA's court. But I am happy to take it on notice as to whether there has been any further correspondence.

Senator SIEWERT—I want to move to Wave Hill. That is in the process, is that correct?

Mr Burnett—That is right. The Australian Heritage Council has completed an assessment on Wave Hill. As yet, there is no decision by the minister.

Senator SIEWERT—So the council has provided advice to the minister?

Mr Burnett—Yes.

Senator SIEWERT—So can you tell me the details of that assessment? Has he had it for the 21 days?

Mr Bailey—Yes. He has had it in excess of the 20 days, but the technical definition of the act is that we cannot provide that advice. Only a member of the Australian Heritage Council can provide that advice to you.

Senator SIEWERT—Okay. So you cannot talk to me now about any of the assessment?

Mr Burnett—No.

Senator SIEWERT—So you cannot tell me what sites were considered in the nomination?

Mr Bailey—In the assessment of Wave Hill?

Senator SIEWERT—Yes.

Mr Bailey—No. We are not allowed to. But a member of the Australian Heritage Council is.

Senator SIEWERT—There is no use pursuing that line, then. Thanks.

CHAIR—Does that finish Heritage?

Senator WEBBER—I am finished with Heritage.

CHAIR—I think we have four other divisions to do.

Senator SIEWERT—I cannot pursue that any further. Thanks.

[12.01 pm]

CHAIR—We thank the Heritage people for being here. We now have Industry, communities and energy.

Senator WEBBER—You will have to bear with me as I come to grips with what your division does and what the next division does. I am a bit confused about the two of them.

CHAIR—Put them all on notice.

Senator WEBBER—No. I would not know who to put them on notice to. Perhaps we will start with the standard opening question. Do you know what it is?

Mr Carruthers—Perhaps before we start on the budget story, I will explain once again that there are two divisions that make up the Australian Greenhouse Office. My colleague Gerry Morvell heads the other division. The government has a whole and integrated climate change strategy, so it is probably useful in approaching these discussions to do it in terms of the whole climate change program.

Senator WEBBER—I have finally found climate change. It has taken me all morning, but I have got there.

Mr Carruthers—Basically, in terms of the budget structure, we are talking about outcome 1 and output 1.1. Output 1.1 contains the whole of the government's programs in this department to do with the response to climate change. The minor exceptions to that, as you have heard already this morning, are in the Environment Quality Division in relation to synthetic gases. The legislation, functions and the climate change communications activities come within the portfolio coordination division. So the whole series of climate change programs are covered by your question.

Perhaps I could go through the aggregate picture for all the programs. In the first instance, the current year budget—this is covering both departmental funds and administered funds—is \$187.7 million. The out-turn for 2005-06 was \$111.7 million. The out-turn for 2004-05 was \$105.3 million. The forward estimates for 2007-08 are \$226.6 million. For 2008-09, they are \$174.3 million. For 2009-10, they are \$134.8 million. For 2010-11, they are \$78.0 million. I will perhaps stop there. As you have heard in other answers, of course, there are programs that are lapsing, so there are budget decisions to be made by the government in terms of the out years that affect a number of programs.

Senator WEBBER—When my colleague Senator Carr met with you last time, there was a discussion about the underspend in the Australian Greenhouse Office of some 36 per cent. That was confirmed in answer to a question on notice. Is this still the case?

Mr Carruthers—Detailed answers were provided to the questions on notice; I hope you have that information. I guess the key message to explain in that was that we set out the reasons there had been underspends in some earlier years. The underspends had been rolled forward to match with project milestones. So it is rolling forward money into future years but maintaining the whole budget envelope. As you know, the government has committed just in excess of \$2 billion to climate change programs, so there was reprofiling of underspend funds.

Senator WEBBER—So it is not anticipated that there will be an underspend again?

Mr Carruthers—Our budgets are well on track for the current year. As you will see, in the previous two financial years, the budget out-turns were pretty well right on the mark in terms of the appropriations.

Senator WEBBER—On the 36 per cent underspend: I accept what you say about the money being rolled over to new programs or reallocated. Is it possible to detail how much of that went where?

Mr Carruthers—Quite a bit of information was in those previous answers. If you want to go down to a further level of detail, I think I would like to take that on notice.

Senator WEBBER—If you want to take that on notice, that is fine. As I say, a part of our problem is digesting in a hurry the answers we get to questions on notice. Do we have a complete list now of all of the programs that make up the Australian Greenhouse Office?

Mr Carruthers—A list of all the programs?

Senator WEBBER—Yes.

Mr Carruthers—Yes. I have a table in front of me that lists them all. They are all listed in the environment budget statement, which was referred to by Mr Tucker earlier. It is being made available to the committee this morning.

Senator WEBBER—So that is this?

Mr Carruthers—Yes. You will find them all listed in there.

Senator WEBBER—I will read the book. This will also give me the amount of money allocated by program?

Mr Carruthers—Yes.

Mr Tucker—I will jump in there. Appendix 1 contains not only all the greenhouse programs but all the other programs associated with the department and other departments as they relate to the environment.

Senator WEBBER—It certainly does.

Mr Tucker—You can obviously pick out from that the ones that relate to this department.

Senator WEBBER—It is quite a long list, really. I have some more specific questions about wanting detailed budget information, but I think we will put them on notice.

CHAIR—That is very commendable, Senator Webber.

Senator WEBBER—That is just for that section, of course, Chair. Sorry about that.

I turn now to the issue of nuclear power. When we last met, Senator Carr and your former minister had an exchange. Senator Ian Campbell advised the committee that he had not sought any advice from the department on the issue of nuclear power. Is that still the case?

Mr Morvell—To the best of my knowledge, the minister has not sought any advice on nuclear power. In the recent period, of course, the nuclear taskforce undertook their review for the Prime Minister's department and provided their report at the end of last year. The government has not yet responded to that report. In that context there has been a flow of some information between the department and the minister's office relating to that report but no advice that I am aware of specifically related to nuclear power. The point of the distinction I am making is that much of that report focused on the issue of uranium mining, which is not one for which I have responsibility.

Senator WEBBER—Indeed not. So since the report has come out there has been some advice? The department has provided some advice?

Mr Morvell—There has been information flow. I am not sure that it constitutes advice as such.

Senator WEBBER—'Information flow': would that include research looking at some of the recommendations in the report?

Mr Morvell—No. There has been no research commissioned by the AGO in relation to nuclear power.

Senator WEBBER—Not even in response to the report?

Mr Morvell—No.

Senator WEBBER—So it is just information flow, whatever that is?

Mr Morvell—In preparing for the government's response to that report, the minister and his office have asked for information, much of which is clarifying issues that have been

raised. That is the context in which information has been flowing. But it has really been a clarification of issues.

Senator WEBBER—A clarification of issues. The department was not actually involved with that taskforce, was it?

Mr Morvell—Not in a direct sense. It was a taskforce established in the Prime Minister's portfolio, although we did have one officer seconded to the secretariat for that taskforce. The department has also had officers seconded into the secretariat.

Senator WEBBER—So that one officer seconded, was that the extent of the department's involvement?

Mr Morvell—We did provide information as requested. We did not make any formal submission to that taskforce.

Senator WEBBER—No formal submission?

Mr Morvell—But we did provide information as requested. That officer who was seconded there effectively acted as a conduit for the flow of those requests.

Senator WEBBER—Did the information that was requested make up a substantial amount of work for the department at the time?

Mr Morvell—No. We did not have a significant workload arising from that taskforce from the point of view of the Australian Greenhouse Office. I make that distinction with mining. But in relation to the nuclear power issue, no, we did not commission any work and it was not a major workload of ours.

Senator WEBBER—Has the department provided any advice at all on nuclear energy as a response to climate change?

Mr Morvell—We have certainly given the former minister advice on analysis of nuclear issues generally in relation to nuclear power. Much of that advice was analytical advice on what exists around the world and what the state of play is with nuclear power. But all of that information was based on existing literature, very significantly the International Atomic Energy Agency literature. We certainly did not commission any work on that.

Senator WEBBER—So it is analytical advice on the state of play?

Mr Morvell—Yes.

Senator WEBBER—Rather than any specific work on nuclear energy as a response to climate change?

Mr Morvell—That is correct.

Senator WEBBER—I want to go back to the 36 per cent underspend. The new environment minister has claimed that the government has spent \$2 billion over the last 10 years to reduce greenhouse gas emissions and to meet Australia's Kyoto target. How does that work with the 36 per cent underspend from 1998 to 2006?

Mr Carruthers—The government has committed just in excess of \$2 billion to climate change programs. That begins with the time of the Safeguarding the Future package announced by the Prime Minister in 1997 and successive announcements by the Howard

government since that time. As you mention, there were underspends in some earlier years. As I have answered already, those underspends have essentially been taken forward into later years for those programs or for new programs. So essentially the commitment to the various programs totalling over \$2 billion, that envelope holds. I just point out, though, that, of course, not all that \$2 billion has been expended yet.

Senator WEBBER—There is a big difference between committed and spent, isn't there?

Mr Carruthers—Correct. But some of these projects, particularly major technological projects that are of a leading edge nature, have milestones that go out over a number of years. Indeed, our forward estimates attaching to some of these projects stretch out to, I think, 2013.

Senator WEBBER—So how much money have we actually spent on trying to meet our target rather than commit to spending and reallocate?

Mr Carruthers—I have the individual years here, but I am not good as a mental calculator. We could answer that.

Senator WEBBER—You can take that on notice by year.

Mr Carruthers—I do have the answer. The actual expenditure accumulated up to the end of 2005-06 was \$678.2 million. As you see, we have a budget this year of \$187.7 million. We, of course, are a distance into the expenditure of those funds.

Senator WEBBER—But some of that takes into account the reallocation of underspent money?

Mr Carruthers—Yes.

Senator WEBBER—\$678 million is not an insignificant amount, but you would have to say it is a little shy of \$2 billion.

Mr Carruthers—In responses on this in parliament and at Senate estimates hearings previously, an emphasis has been placed on the wise and effective use of this money. That does involve, if you like, considered planning and payment schedules for major and complex projects.

Senator WEBBER—I turn now to alternative energy sources, renewable energy and the like. Recently the new minister, Mr Turnbull, was on the *7.30 Report* talking about the use of wind power in China. He went on to say:

China uses a lot of wind power, more than we do, and the reason for that is they don't have a national electricity grid. So they can't zap power from one end of the country to the other like we can.

I have to say when you come from Western Australia, we cannot do that either, because you do not zap from this side of the country to us. He went on to talk about the way he saw the wind power industry working in China. Has the department provided the minister with any advice on the use of wind power in China?

Mr Carruthers—I might invite my colleague Mr Shevlin to come to the table to tell us about the involvement of the former minister in activities on renewable energy in China, the department's activities and what is in prospect in that area.

Mr Shevlin—We did not provide the minister with explicit advice for the *7.30 Report* interview on that issue. But we have informed the minister of the activities we have been

involved with in China, including in supporting some Australian companies that have been active in China, including Roaring Forties, a Tasmanian based company that is setting up—

Senator WEBBER—We are going to come to that in a minute.

Mr Shevlin—a major wind farm there. In discussions with the Chinese officials, they have pointed out to us—we certainly conveyed this to the minister—that for China the use of renewables is particularly attractive for them in areas where they do not have any existing power facilities at all. So they are not only off grid; they do not have connection to any form of power. So the use of wind and solar in those places is particularly useful. That was conveyed to us by the Chinese government. We have certainly conveyed that advice to the minister.

Senator WEBBER—So the use of wind power in China, is that largely off grid or on grid?

Mr Shevlin—I do not have a breakdown of all of the Chinese use of wind power. I imagine it is a mix of both.

Senator WEBBER—So we do not have any detailed information?

Mr Shevlin—Some of it would certainly, I am sure, be connected to the grid. Some of it, from the advice we have had from Chinese officials, is that it is not and it is used as a standalone source of power for remote communities.

Senator WEBBER—So we do not have details. In that case, while you are here, we may as well talk about the Roaring Forties. I know this is a bit jumpy. As you would be aware, on 11 May last year, Roaring Forties announced it was halting wind farm developments in Tasmania and South Australia due to the government's failure to increase the MRET, resulting in a loss of jobs. Did you want to make a general comment about that, a response to that? Had the company made representations to the department about the situation they were finding themselves in?

Mr Morvell—That company and the industry generally had made a number of representations to the department and the government on the growth of the industry and its concerns about the need for incentives to continue growing.

Senator WEBBER—As I understand it from a brief discussion we had the other night before we got on to the issue of water, we had a general discussion about the MRET and the fact that we anticipate we will meet our target very soon. Has the department provided any advice to government on when they anticipate we will meet the target and some advice on where to from here? I do not want to know the extent of that advice.

Mr Morvell—The department has given a lot of advice to government over many years on this issue. In terms of when it will meet the target, the target is to be met with a power output by 2010 and continued to 2020. There is no question that that target will be met. With regard to what is about to happen, the investment required for building renewable energy power stations to meet that target will effectively be met this year sometime, although, as I said the other night, it is impossible to say when. But the target certainly will be met. The target is a power output. It is a power generation issue. There has never been any doubt that the target will be met.

Senator WEBBER—My memory, from the discussion we had the other night, is that we are going to meet it ahead of schedule. The target was to be met by 2010.

Mr Morvell—Correct. Yes.

Senator WEBBER—We anticipate we will meet it within the next 12 months.

Mr Morvell—No. The investment required to build the power station will be done in the next 12 months.

Senator WEBBER—The problem we are then going to have is that investment in renewable energies is going to taper off.

Mr Morvell—That is the issue that the industry has raised with the ministers, yes.

Senator WEBBER—Is the department doing any work on providing advice to the minister on what to do to maintain investment in the renewable energy sector in the meantime?

Mr Morvell—Yes.

Senator WEBBER—Is it foreseen that the government would make an announcement about that?

Mr Morvell—That is a matter for the government.

Senator WEBBER—So there is some work being done in the department about additional measures to keep investment in, and the development of, renewable energy?

Mr Morvell—The issue of the energy sector and lowering emissions in the energy sector in particular is an area where there is ongoing work on policy development. So it is almost a continuous function for us to give ministers advice on what options they might have.

Senator WEBBER—If it has been an ongoing function and we are reaching the target so quickly, has there been any thought given to reviewing the target and pushing it upwards a bit? It just seems to me that we run the risk of more Roaring Forties type situations if we just stay in a static position.

Mr Morvell—The government undertook a mandated review of the target in 2003. The government responded to that in 2004. There has been no formal review of the target since that time.

Senator WEBBER—How do we marry what seems to me is becoming a static position with increased community concern? Every electricity provider allows you to pay extra if you want to use renewable energies and what have you. So the community is getting on board but we are not actually having the incentives from the other side to allow consumers to do their bit.

Mr Morvell—In the decision the government made to not increase the target, they announced a strategy that would see them invest in budget measures to support the industry. There has been quite a substantial increase in funding for renewable energy technologies on a number of measures. There are not only direct budget measures that we administer in this portfolio through the AGO; there is the \$100 million Renewable Energy Development Initiative administered by the industry portfolio in which we jointly have a policy responsibility. In the Low Emission Technology Demonstration Fund, for which the government has now announced five projects, one of them is the \$75 million grant to establish

a solar power farm down near Mildura. This will be the largest of its kind in the world. So the government may have decided that the costs of MRET in terms of its economic impact was too great, but it did recognise that developing the industry was very important and has moved to an alternative strategy involving budget measures.

Senator WEBBER—So the government sees these strategies as a replacement for the MRET?

Mr Morvell—It complements the existing MRET.

Senator WEBBER—Except, as I say, that is becoming a little static, so I do not know that it complements it. It would seem to me that it is in place of.

Mr Carruthers—If I could perhaps add here, if one looks across the quite recent announcements by the government in terms of these programs—Mr Morvell has only mentioned some of them—one sees that it represents a very great investment in renewable energy by the government at the present time both in Australia and through the Asia Pacific Partnership on Clean Development and Climate.

Senator WEBBER—Are we ensuring that the infrastructure is there to meet consumer demand, given the increased awareness within the general population of the need to use renewable energies?

Senator Colbeck—What do you mean by ‘consumer demand’?

Senator WEBBER—Well, every power supplier has these days something where you can opt to pay more and use renewable energies.

Senator Colbeck—Every power supplier?

Senator WEBBER—They may not in Tasmania, but they certainly do on the mainland. I know Western Power, for instance, in Western Australia does. I know from talking to my colleagues in Queensland there is an extensive arrangement there too. I am just wondering if as a consumer we are all opting to pay extra for something that there is not the support from government to allow to be provided.

Senator Colbeck—So what uptake figures on that are you aware of? Have you got the uptake figures? You are using some pretty broad terms about every power supplier. I have not seen it. But, then, Tasmania’s energy is predominantly renewable anyway, coming from hydro and wind. And you are talking about a huge demand. Have you got some figures to support the assertion that that is exactly what is happening?

Senator WEBBER—Not with me, no. I am more than happy to provide them for you, though.

Senator Colbeck—I would be interested to see them. One of the impacts of MRET is in fact that it does apply additional costs to energy. One of the judgements the government made in its policy making process was that it was concerned that industry and the public in general did not have an inordinate cost applied to energy, given that we do have a very significant cost advantage in energy on an international basis and we are not prepared to throw that advantage away without good cause. You would obviously be aware of discussions that are being undertaken at the moment in relation to carbon trading and the fact that that is an issue. That potentially will have an impact on energy costs, and an increase in energy costs is going to

make renewables in particular more affordable in comparison to other forms of energy generation. But the government at this point in time is concerned that there be a reasonable balance in the number of costs it applies to the energy sector in comparison with the number of renewables that become part of that. Having had discussions with certain industry sectors personally, I can understand that there are great tensions on that matter. They are very, very sensitive to increased energy costs.

Senator WEBBER—I would not in any way dispute that, but that is industry rather than domestic consumers.

Senator Colbeck—If you are going to apply additional costs into the grid, you are going to apply additional costs to the grid.

Senator WEBBER—There is lots of differential pricing in the grid.

Senator Colbeck—Well, there is and there is not, depending on the industries. But you want to go out and have a chat to some of them whose energy use is up to 35 per cent of their input costs and see how sensitive they are and how big an employer they are. It is very responsible that we ensure that our industry groups in this country are not disadvantaged by unduly applying additional costs into the grid. In fact, if you look at some of the proposals being put together by the states, which are running and crowing about their potential renewable proposals, they provide significant exemptions to industry, so they are not really talking about genuine proposals, in a lot of respects. They are talking about proposals that let off sensitive industries to costs. Some of those industries are in fact significant emitters. So I think it is a matter of putting together some decent proposals on the table that are going to provide the benefit in the long term. The government is committed to doing that.

Senator WEBBER—But it is the government's view that MRETs are too expensive and consumers will not be prepared to pay?

Senator Colbeck—If you look at the cost of generating energy through some of the renewable sources—I do not know whether you are aware of the costs—you will see that they are significantly higher than generating energy through some of our traditional means. That cost applies directly into the grid. It is a matter of how much cost you are going to apply and what disadvantage you are going to put Australian industry at. We made a judgement that 9,500 gigawatt hours by 2010 was the target that we would apply. As you have already heard from the officials, we are going to meet that target. The investment essentially will be in place by this year.

Senator WEBBER—That is right.

Senator Colbeck—We are looking at further proposals at the moment, including carbon trading. That may very well have an impact on the competitiveness or otherwise of renewables.

Mr Carruthers—On the matter of households, any individual householder consumer does have available to them, I think through virtually all of the electricity retailers, access to green power schemes.

Senator WEBBER—That is right.

Mr Carruthers—They can choose to pay a bit extra in their household electricity budgets for green power. That green power component is not counted inside the MRET, which is a mandatory supply side amount. So the way is there for any consumer who wants to contribute to the climate change effort to do so through green power as one of the emissions savings options.

Senator WEBBER—When we had the discussion the other night about meeting that target, we were not able, as I recall it, to get a breakdown of how we were going with meeting the MRET target. Is that correct?

CHAIR—I think we have been told that they are on target to meet it.

Senator WEBBER—Yes. But that is all I get. I do not get any detail of where we have got with it.

CHAIR—I suppose if the officials cannot give you the detail you want now, you could certainly put it on notice.

Mr Morvell—The difficulty we have answering these questions now is that most of those questions on the detail are the responsibility of the Office of the Renewable Energy Regulator.

Senator WEBBER—Where do I find them?

Mr Morvell—They were here the other night. It was David Rossiter.

Senator WEBBER—That is right. But David could not seem to be able to give me any detail either.

Dr O’Connell—We can take it on notice.

Senator WEBBER—I must say I get horribly confused as soon as a department restructures itself. There is only one of me.

Mr Carruthers—Mr Rossiter has answered that question on previous occasions. I am sure he would be very happy to give you an update.

Senator WEBBER—Okay. We will put that on notice, then. What is the current status of the Solar Cities program?

Mr Morvell—The government has announced three successful solar cities to date—Adelaide, Blacktown in New South Wales and Townsville. It is contemplating further announcements. For those three that have been announced, we are in negotiation over the contracts and anticipate that in the near future we will conclude those contracts and the projects will commence.

Senator WEBBER—Do we have any information on the number of households that will be covered by those Solar Cities projects?

Mr Morvell—I do not have them all in total. That one is one I would take on notice, although I notice that at least the Adelaide project does involve 1,700 homes in their proposal. So orders of magnitude there are several thousand individual homes involved across the proposals that have been announced. But I will get those details for you and provide them separately.

Senator WEBBER—So we have three announced at the moment and are anticipating some more. When do we think we will complete announcing?

Mr Morvell—That is a matter for the government and the minister.

Senator WEBBER—Do we anticipate that all of the allocated funds will be expended by June 2009?

Mr Morvell—At this stage I think our expectation is that it will be all expended by 2009. The vast majority of the money for this program will be spent in the early years of each of the projects because it involves capital investment on equipment, such as the solar panels, the smart metering and the like. The program has a long tail but it is not an expensive tail. It is the bit where we are gathering the data which would inform policy decision making and commercial decision making by retailers or financial institutions. It is entirely possible that some of those projects in the long term might go a bit longer than we anticipated if there are valid reasons for it. It is equally anticipated that some of the solar cities might complete their data collection prior to that. At this point in time, we are not anticipating any significant budget alteration.

Senator WEBBER—That is the \$75 million that was announced in 2004?

Mr Morvell—That is correct.

Senator WEBBER—What is happening with the Photovoltaic Rebate Program?

Mr Morvell—It is progressing on target this financial year in terms of expenditure. Its budget is completed this financial year. The Prime Minister announced in November that it was the government's intention to continue that program. The details of that are a matter for the government to decide and make announcements on.

Senator WEBBER—But at this stage the money runs out at the end of this financial year?

Mr Morvell—That is correct.

Senator WEBBER—Has the department been asked for advice on how to continue alternatives to developing the program?

Mr Morvell—Yes.

Senator WEBBER—You have provided that to the minister. When did you most recently provide the minister with advice on that?

Mr Morvell—I think November would be the last significant advice we gave the minister on that matter.

Senator WEBBER—You could understand the perception in the renewable energy sector, with the investment problem we have with MRET and now not sure what is happening with this.

Mr Morvell—We are certain what is happening with this. The Prime Minister made it clear the program will continue.

Senator WEBBER—But we do not know in what form or how much money. And the money runs out in a few months.

Mr Morvell—They have not made an announcement on that, correct, but the Prime Minister has made it clear that the program will continue.

Senator WEBBER—But we do not know in what form or how much. I must say it is almost the end of February now, so it is in a few months. Has the department done any research in relation to geosequestration technology? Are you the right division for that?

Mr Morvell—Yes.

Senator WEBBER—Excellent.

Mr Morvell—We certainly have. In the distant past we funded a program called Geodisc, which involved Australian researchers examining the opportunities for geosequestration in Australia. The outcomes of that led to the establishment of one of the cooperative research centres on greenhouse gas technologies called the CO₂ CRC. We are providing a grant at the present time of approximately \$9 million to the CO₂ CRC towards a major project that involves total expenditure in excess of \$30 million, although I am not entirely certain of the final costs of that. But this is for the Otway Basin pilot project in western Victoria. In the last two days, I believe, they have commenced the drilling of one of the monitoring wells. That is a very small geosequestration project but it is specifically designed to develop monitoring technologies and better understanding of how you would run this system. Certainly two other Commonwealth departments have put funding into that—the industry portfolio and the science portfolio. I understand the Victorian government may have contributed dollars to that.

Senator WEBBER—Yes, they have.

Mr Morvell—They are certainly contributing a regulatory framework to that. All of that is being matched by a significant contribution from industry through the members of the CO₂ CRC.

Senator WEBBER—How about work on geothermal energy? Has the department commissioned or undertaken any research on that?

Mr Morvell—We are providing funding through a number of programs. I would like to take the question on notice to give you the fine detail. We have provided funding particularly that led to the establishment of a company called Geodynamics. With their very early work, when they were based in the universities, we funded some work to develop their technology on hot dry rocks. In recent times, the government has funded work by both Geodynamics and another company called Petrotherm and I believe a third company called Scope Energy, all of whom have received funding under various renewable energy programs to take the concepts of geothermal and hot dry rock technology in particular into the proof of concept and into the next stage of looking at commercialisation.

Senator WEBBER—How about clean coal technology? Have you undertaken any work with that?

Mr Morvell—Apart from the work we do on carbon capture and storage, involving that significant expenditure of the CO₂ CRC, we do not have a major program. I am only hesitant because I think we may have spent some small amounts of money in support of researchers attending meetings. But we do not have any major research programs. The low emission technology demonstration fund, however, is the government's vehicle for putting funding into

demonstrating at scale some of the technologies. In that sense, certainly there is the project in Queensland involving coal seam methane and extraction and capture and storage of the emissions. There is a project in Victoria at the Hazelwood power station involving a company called International Power retrofitting one of eight boilers for the purposes of drying coal and burning, leading to the eventual capture and storage of the CO₂. There are a couple of other projects in that not involving coal but involving gas. Apart from those programs, we do not fund research as such in this field.

Senator WEBBER—Has the department undertaken any work or commissioned any work into the economic effects—that includes economic modelling—of deep cuts to Australia's greenhouse gas emissions?

Mr Carruthers—I do not believe we have commissioned any modelling in that area. There have been a number of studies done from within the Australian government and by bodies outside the Australian government. We obviously do monitor those analytical efforts.

Senator WEBBER—But the department has not done any itself?

Mr Carruthers—No.

Senator WEBBER—So when the Treasurer said—

Mr Carruthers—It depends a little on what you mean by 'deep cuts'. I am assuming you are talking about the sorts of cuts that the Intergovernmental Panel on Climate Change speaks about for later this century.

Senator WEBBER—Has the department done any work on modelling specific effects of climate change on the economy?

Mr Carruthers—Do you literally mean modelling or do you extend that to include an assessment of the impacts?

Senator WEBBER—Yes.

Mr Carruthers—I think in terms of the general area of assessment of the impacts of climate change, there is quite an extensive body of projects and technical reports that have been completed—

Senator WEBBER—By the department?

Mr Carruthers—and published by the department. They appear on our website. There is a \$14 million climate change adaptation program that is part of the current stage of the government's climate change strategy. So there is ongoing work in a number of fields around the impacts of climate change on settlements and the impacts of climate change on water resources. You heard from a number of the portfolio agencies and divisions on Tuesday night and again this morning of work they are undertaking. I think in pretty much every case you heard that the Australian Greenhouse Office, through its programs, is integrally involved in that work. Our engagement obviously extends to partnerships outside the portfolio.

Senator WEBBER—So with all of that work that the department has done, does any of it go to the specific effects that cutting greenhouse emissions would have on the Australian community and the Australian economy, or does it just talk about what is going to happen if we keep going the way we are now?

Mr Carruthers—The impacts of climate change on Australia, whether we are speaking about water resources or ecosystems or whatever, are the consequence of the emissions that occur globally of greenhouse gases—past, current and future emissions. Hence the government's focus not only on reducing national emissions in Australia but the imperative to reduce global emissions. For that we need an effective global framework on climate change.

Senator WEBBER—Does that work take into account any economic effects?

Mr Carruthers—In terms of the international climate change response, the government has undertaken at various points in time a body of analysis, and that has been published.

Senator WEBBER—What about specifically for Australia and economic effects with cutting greenhouse gas emissions?

Mr Carruthers—Yes.

Senator WEBBER—The department has done work on that?

Mr Carruthers—We have been involved in whole-of-government efforts in that area. Individual agencies, such as ABARE, have produced reports on that subject.

Senator WEBBER—So it is ABARE?

Mr Carruthers—Not only analytical work by ABARE. Other work has been commissioned at times. Some of the early work has been made available.

Senator WEBBER—The Treasurer, in question time, has said that Treasury have not done any analysis on the economic effects of climate change on the Australian economy because of the numerous reports that have been done by the Department of the Environment and Heritage and the Australian Greenhouse Office. So you have done specific work on the economic effects?

Mr Carruthers—Of?

Senator WEBBER—Climate change and what would happen if we decrease our emissions.

Mr Carruthers—I said in answer to your first question on this theme that the AGO has not commissioned economic analysis on deep cuts. Your phrase was deep cuts.

Senator WEBBER—Yes.

Mr Carruthers—No. We have not commissioned work on that.

Senator WEBBER—On any cuts? Have you commissioned economic analysis on any cuts?

Mr Carruthers—Not in recent times.

Senator WEBBER—Where would I go to find any work on the economic effects of cuts to our greenhouse gas emissions? Would ABARE be the only agency that has done that?

Mr Carruthers—It is probably the only government agency that has done it. But I can think of probably somewhere between seven and 10 studies by different groups that have been done in Australia over the last one to two years and published.

Senator WEBBER—Have they been commissioned by government?

Mr Carruthers—No.

Senator WEBBER—So the government per se has not done any work or commissioned work?

Mr Carruthers—Has not commissioned work on the very long-term economic analysis of, in your terms, deep cuts and emissions reductions.

Senator WEBBER—To be fair, Mr Carruthers, I said any work on cuts. I removed the word 'deep'. Cuts to greenhouse gas emissions in Australia and the economic impact of them.

Mr Carruthers—Not in very recent times.

Senator WEBBER—What do you mean by 'very recent'?

Mr Carruthers—The last couple of years.

Senator WEBBER—The last couple of years. I know Treasury have not done it. Your department has not done it. So we have this debate and we do not have proof for what we are saying. I have one final issue; I think it is for you. If you keep answering all my questions, I will not have any for the next division. Are rising sea levels with you?

Mr Carruthers—Yes. We can discuss sea level rise. Monitoring sea level rise is the business of the Bureau of Meteorology. I think Dr Love spoke about that on Tuesday.

Senator WEBBER—Yes. By then I was somewhere else, I think asking about mental health in the Health and Ageing Committee. Has there been any research undertaken in relation to rising sea levels in the Torres Strait?

Mr Carruthers—No. We have not commissioned any work specifically on the Torres Strait. In relation to climate change science, we do have a funding program for climate change science activities as a whole. Part of the funds we provide to organisations like CSIRO would undoubtedly be used for work on sea level rise as part of the national effort.

Senator WEBBER—But there is nothing specific on the Torres Strait. Has the department given any consideration to what measures would be needed to address increased erosion in the Torres Strait Islands?

Mr Carruthers—I think that has been discussed at a couple of the immediately preceding estimates hearings. There was a question on notice from the previous hearing. There was information provided about the funding from the Natural Heritage Trust coastal erosion impacts project.

Senator WEBBER—But apart from the answer that was given to the last round of questions on notice, there is no new or additional information?

Mr Carruthers—Not from the Australian Greenhouse Office. My colleagues from across the portfolio have not informed me of any work since then.

Senator WEBBER—As I say, I am sure by the time I get my head around where you all fit in this structure you will move again. Has the government, to the best of your knowledge, investigated the possibilities of relocating residents from the low-lying Torres Strait Islands?

Mr Carruthers—Not to my knowledge.

Dr O'Connell—That would not be this department's responsibility.

Senator WEBBER—You would know whether the low-lying areas were going to be in trouble if you were involved in the research. It seems interesting that nothing specific has been done there when there is general debate and concern about the Pacific islands and the impact of rising sea levels there. That is it from me.

CHAIR—Thank you very much. We will now go to the Natural Resource Management Programs Division.

Senator WEBBER—Which outputs are you responsible for? Can you give us the list of programs and budget appropriations and actual expenditure? I am happy for you to take it on notice if that is what you need to do.

Ms Pearce—I can give you the numbers. My brain has just gone blank on the outcome, but I think that is fairly obvious in the structure of the PBS. It is outcome 1.

Mr Tucker—Outcome 1 but spread across the various output categories because of the way the NHT is structured.

Ms Pearce—So in terms of departmental funding, for this year, we have \$14.156 million. Next year, 2007-08, it is \$11.49 million. In 2008-09, it drops to \$2.1 million. In 2009-10, it is \$0.25 million.

Senator SIEWERT—One presumes that is dependent on the next announcement of NHT.

Dr O'Connell—That reflects the NHT drop-off. We have had the ministers announce that there will be a long-term commitment to natural resource management programs, so you would expect to see announcements in due course.

Senator WEBBER—I am told that those forecasts will be revised upwards. What is the actual expenditure to date?

Ms Pearce—I do not have it for departmental, but I can give it to you by program. Actual expenditure to date in 2006-07 for regional, which we are primarily responsible for, is \$62.647 million. Local, which is the Envirofund, is \$11.7 million. They are the two primary areas that we are responsible for.

Senator WEBBER—You can take it on notice for departmental. Can we have the actual for both, for the previous three years? I am happy to have that on notice.

Ms Pearce—The actual departmental?

Senator WEBBER—And program.

Ms Pearce—Actuals for program I can give you. That is easy.

Senator WEBBER—For the previous three years.

Ms Pearce—So 2003-04?

Senator WEBBER—Yes.

Ms Pearce—Regional was \$110.2 million. Local was \$19.761 million. For 2004-05, regional was \$145.218 million and local was \$19.469 million. For 2005-06, regional was \$153.609 million and local was \$20.919 million. That is actually for the NHT. We actually also look after Community Water Grants as well.

Senator WEBBER—Do you still do that?

Ms Pearce—Yes, we do.

Senator WEBBER—So they have not been taken off you and put somewhere else?

Ms Pearce—No. In the first year, which would have been the year before last, I will need to check that figure. I am not sure that I have got it here. I might take that one on notice and just get you the expenditure to date. I might take that whole question on notice because the data is not in a format that easily lends it to report.

Senator WEBBER—That is fine.

Senator SIEWERT—I might as well start where Senator Webber left off in terms of the finances. I am aware that a lot of regional groups are behind on their spend. How much carryover is there building up?

Ms Pearce—That is really state specific. I could not accurately tell you how much build-up there is out there. I would say in some states there is very little—for example, Queensland, Victoria and South Australia. In New South Wales we are just going through a very thorough process to identify any problems that there might be, for example, because of drought. If need be, we will come to arrangements to re-profile just internally. Again, in New South Wales, the regions are telling us that in the last year and next year they will use everything they have got. Western Australia are spending well, but they do have the problem of being three years behind everybody else. Again, we would expect that the quarterly reports coming up will give us a very clear understanding of what we are looking for in the next 18 months.

Senator SIEWERT—They are behind on the salinity, but they are not behind on—

Ms Pearce—On the trust. I would say across Australia on the trust there is very little that would be held in accounts. It goes in and it goes out because it is substantially less per region. It is spread across 56.

Senator SIEWERT—And WA is behind on that?

Ms Pearce—Not behind, but we are certainly talking to them about how they are going to manage what is quite a substantial amount of funds.

Senator SIEWERT—I want to ask you about a specific program but I do not know if it is you I should be asking or someone next door, where I am going shortly. It is on drainage.

Ms Pearce—I can talk in generalities, but if you are after specific dollars and cents, it is the guys next door.

Senator SIEWERT—I hope I am not going to get down to dollars and cents. I asked a question on drainage—I am focused particularly on WA—which was question 53, at the estimates before last. That was May last year. You gave me quite detailed answers, thank you. But in part of the answer, I was told that there are more asks on the table. I will take a step back. I asked a series of questions about drainage. These were about not only projects but also how decisions were made. For WA, the answer did not include how the decisions were made in terms of whether SIC, the State Investment Committee, had approved the proposals and whether the regional group had supported the proposal.

Ms Pearce—Which particular one was that?

Senator SIEWERT—This was relating to drainage proposals in Western Australia.

Ms Pearce—I have your question on notice in front of me and our answers.

Senator SIEWERT—It was: what projects were supported by the relevant NRM group and were the projects supported by the State Investment Committee or the joint steering committee? As far as I can tell, the answer for WA did not include that. The other answers did, but the answer for WA did not specifically include that.

Ms Pearce—Which question on notice was this?

Senator SIEWERT—This is question 53.

Ms Pearce—I was looking at 10. I am not sure that I have 53 here.

Dr O'Connell—This is from an earlier estimates?

Senator SIEWERT—This is from May 2006.

Ms Pearce—I have not got 53 here.

Senator SIEWERT—Could you take it on notice.

Ms Pearce—I am the joint chair of that steering committee. I would say that, to my knowledge, all the investments have gone through the SIC for analysis. They do not approve. They look at them, provide us with technical advice and make a recommendation to the joint steering committee. The joint steering committee then makes a recommendation to ministers. In general, I cannot think of anything, but perhaps there are some projects within the state that, as part of our agreement with the state of WA, are not run through the regions. Anything coming up through the regional process certainly would be supported by the region and go through the State Investment Committee. Anything like the engineering EEIs would come to the joint steering committee potentially through the SIC or through the EEI steering committee. So it depends on which investments you are interested in.

Senator SIEWERT—I am interested in all the ones that were listed as being funded to date to see which ones went through and which ones did not.

Ms Pearce—We will have to go back and have a look at that—

Senator SIEWERT—That would be appreciated.

Ms Pearce—and tell you which has gone through what process.

Senator SIEWERT—In the answer, you did foreshadow that there were more asks on the table. As this was May 2006, I would like to have an update on whether the further asks, because they were quite substantial, were in fact approved.

Ms Pearce—Okay.

Senator SIEWERT—That would be much appreciated. Thank you. I return to funding. I appreciate that there has not been an announcement made for NHT3, but I am also very aware of the disruption that occurred with NHT2 and the way that regional groups—I do not know about the other states—in Western Australia took another 18 months at least to get back on their feet. I know that the regional groups are starting to feel toey about what happens in 2008 and are making sure the same thing does not happen again. How soon will groups know? I know that is politically sensitive. I know that it is a political announcement, but what arrangements are being put in place to ensure that the same thing does not happen again?

Dr O'Connell—The first and main thing is the clear announcement that there is a government commitment to the long term. So that has occurred. When we went from NHT1 to NHT2, there was a hiatus and then a new announcement. It is exactly because we learnt from that that the government has announced early that it will continue the commitment. The precise numbers are clearly a budget matter and that will be handled in the budget context. There is no decision yet, so that will come out in due course. But we are very aware of this issue. The ministers are very aware of the need to give the regional bodies and everybody else who is involved, such as facilitators and others, as much notice as possible of what the arrangements will be. We will be looking to give plenty of notice and clear guidance. But it does depend on the budget process. I do not know if Kelly has anything else.

Ms Pearce—One of the key issues here is this government will be ahead of the rest of Australia, if you like, in making that announcement. Our key issue is to negotiate new bilateral arrangements, if that is where the government wants to go and where the state governments want to go. Certainly in our ministerial council last November we put out the new framework for the future program. That is really showing that, again, we are well ahead of the game in some ways in talking about what those agreements might look like without talking in quantum. But we are certainly talking about the sorts of things that would have slowed us down last time. We are not at this stage in that process really looking at revolution. It is evolution. So that really should help us bridge that gap. But it will be also dependent on what the state governments do as far as coming to the party with their budgets. We have done our best to put ourselves in the best position to negotiate and to line up all the dots. But it will really come down to whether the state governments are willing to then come back and sign up.

Senator SIEWERT—Presumably you have to wait until the announcement is made to negotiate the bilaterals?

Dr O'Connell—The announcement will be a matter for the government and a matter for handling in the budget. We have done preliminary work with the states, exactly as Kelly is suggesting. We are very aware of the problem. We are doing plenty of preparatory work with the states to hit the ground running when we do have announcements. They are aware of a great deal of the dynamic and should be in the same position preparing their budget as well. But the announcements in the end are budget announcements. That is the gift of the budget announcement strategy.

Senator SIEWERT—Are there going to be trilaterals that involve the regional groups? 'Trilaterals' might not be the right word. Last time they were negotiated, you would probably be aware that there was a great deal of concern from the regional groups that they were not in fact involved in the negotiations when they are the ones delivering it on the ground. Is there greater involvement of the regional groups in those negotiations? I will preface that. I think Western Australia was the only state that included community in the negotiations over the bilateral.

Ms Pearce—Around the generalities of what might go into bilaterals, at the moment both ourselves and the state jurisdictions have been actively engaged in discussions with regional chairs through things like the NRM forum. So it is around those sorts of things. Is it going to be a trilateral? On indications to date from most states, the answer to is they would not be

interested in a trilateral. But certainly consultation with their regional bodies has already commenced in most states, as far as I am aware. Because the regional bodies are in place and they are active and running and we have a lot of processes for engagement with them, their opportunity to provide input is quite a lot stronger than it would have been the first time around. So in that sense they are in there and they are telling us what they want.

Senator Colbeck—That is a significant difference this time around from last time. Last time around, a lot of the regional bodies were not in place. That was one of the things that caused a lot of the disruption. We work closely with them in my state as well. Getting them up and ready, getting their regional plans developed and approved was a process that took a long time. A lot of the other groups were trying to find their place in the system, if you like—where they sat within the whole structure—which is what caused a lot of the uncertainty too.

Given that we have a process where the regional groups are actually established, they have their plans in place and there is a regular update process that occurs, including consultation with both the state and Commonwealth governments, I think the process should work a lot better this time. Obviously there are potential improvements or changes. But the basics of the structure did not exist last time. Like you, I know that that caused a lot of uncertainty as to where different groups of people fitted and what their functions might have been.

Dr O'Connell—The chairs of those regional bodies get together very regularly with the Commonwealth and state ministers in a forum. They have direct access one-to-one in that context on the key things they are concerned about. So we really have quite a well-embedded representation now to the ministers on all the key points. So I think we are talking about a very different place this time from where we were last time, yes.

Senator SIEWERT—I do not know whether I should be asking these questions here or next door. I am wondering how at the strategic level of decision making about the future of NHT3 you are incorporating ongoing research. I am thinking particularly of SIF3—Salinity Investment Framework III. Am I better off asking the people next door about that?

Ms Pearce—Tim Waldron, who is my co-division leader, and I were talking about this. Some of these general questions you could ask either of them. It is just when you get down into the details. Perhaps in the future we might talk about whether we can come to a better way of dealing with this general stuff.

Senator SIEWERT—I agree with you.

Ms Pearce—SIF3 is still being developed. I know the south coast in Western Australia and—

Senator SIEWERT—The Victoria one.

Ms Pearce—I cannot think of the region now in Victoria, but both are involved in actively applying SIF3, a pilot process, to see how it might work and what that might mean. So in that sense, that is part of the legacy that the current phase of what we are doing will take into the future. As we expand on those results, they certainly filter up into a more national scale. SIF3 is very much being thought about and discussed between the governments. So those legacies, I am sure, are going to carry through and make improvements. What it means is the sort of thing that regions and the various jurisdictions are actively discussing.

Senator SIEWERT—I am aware that Dave and Anna have reported and are continuing to report on the implications of SIF3. To my mind, it has quite significant implications for the way money is directed in the future and decisions are made. It seems to me that it is a wasted opportunity if those results are not being incorporated. It is a long time since we started SIF. It seems to me it is taking a long time to filter through into actually impacting. In NHT3 we are going to lose a significant opportunity to incorporate some of the findings from the research. And they are quite profound in the way investment is directed. Is there any dialogue going on about how that can happen now rather than in however many years before we get to NHT4?

Dr O'Connell—Mr Aldred is just suggesting that he can take that in the next room.

Senator SIEWERT—That is fine. I will go next door and ask him.

Senator Colbeck—It is a demonstration of cooperation between the departments.

Senator SIEWERT—I will continue that conversation we started before. It is crazy being in here and there. I must say, under normal estimates, you have to run between rooms. As is happening now, literally the same conversations are going on in this room as in the room where the rural and regional affairs committee is sitting. It is crazy.

Dr O'Connell—I think we have a particular issue here because we have a joint team between the two departments that delivers the two major programs in a completely integrated way. There is a great strength, of course, but it makes the committee structure a little artificial.

Senator SIEWERT—Exactly. You do not know to whom to ask the questions. They are always at the end of the night and half the time they get bumped anyway. It would be useful if some arrangement could be made where we just go to one place.

Ms Pearce—Perhaps we can talk with the secretariats about that. Tom knows a lot more about SIF3 than we do.

Senator SIEWERT—I will go and ask next door, then. That is fine. Thank you. I am done.

CHAIR—That looks like we are finished. I thank the officers for being here today. I thank the secretariat for their hard work in putting together these estimates, and I thank Hansard. I close these hearings. I remind everybody, however, to have their questions on notice in by next week. I think they have to be answered by 5 April. Could everybody take note of those dates. Have a good day and a good weekend. Thank you.

Committee adjourned at 1.25 pm