



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS AND THE ARTS

ESTIMATES

(Additional Budget Estimates)

TUESDAY, 19 FEBRUARY 2008

CANBERRA

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

Tuesday, 19 February 2008

Members: Senator McEwen (*Chair*), Senator Bartlett (*Deputy Chair*), Senators Birmingham, Kemp, Lundy, Parry, Webber and Wortley

Senators in attendance: Senators Abetz, Allison, Birmingham, Bob Brown, Eggleston, Kemp, Lundy, Ian Macdonald, McEwen, Milne, Parry, Ronaldson, Siewert, Webber and Wortley

Committee met at 9.04 am

ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO

Senator Wong, Minister for Climate Change and Water

Department of Environment, Water, Heritage and the Arts

Executive

Mr David Borthwick PSM, Secretary
Ms Anthea Tinney, Deputy Secretary
Mr Gerard Early, Deputy Secretary
Mr Mike Callaghan, Deputy Secretary
Dr James Horne, Deputy Secretary
Mr Mark Tucker, Deputy Secretary
Dr Diana Wright, Executive Policy Adviser

Approvals and Wildlife Division

Mr Peter Burnett, First Assistant Secretary
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch
Ms Cathy Skippington, Assistant Secretary, Environment Assessment Branch
Mr Mark Flanigan, Assistant Secretary, Strategic Approvals and Legislation Branch
Mr Graeme Barden, Acting Assistant Secretary, Wildlife Branch
Mr Neville Matthew, Acting Assistant Secretary, Compliance and Enforcement Branch

Arts Division

Ms Lynn Bean, First Assistant Secretary
Ms Lyn Allan, Assistant Secretary, Arts Development and Training Branch
Mr Mark Taylor, Assistant Secretary, Arts Policy and Access Branch

Australian Antarctic Division

Dr Tony Press, Director
Mr Rod Allen, General Manager, Corporate
Ms Virginia Mudie, Deputy Director

Australia Council

Ms Kathy Keele, Chief Executive Officer
Ms Robin Cowdery, Executive Director, Corporate Resources
Mr Tony Grybowski, Executive Director, Major Performing Arts

Australian Film Commission

Mr Chris Fitchett, Chief Executive Officer

Australian Film and Television and Radio School

Ms Sandra Levy, Chief Executive Officer

Mr Reza Bilimoria, Director of Corporate Services

Australian National Maritime Museum

Ms Mary-Louise Williams, Director

Mr Peter Rout, Assistant Director

Ms Joan Miller, Chief Financial Officer

Bureau of Meteorology

Dr Geoff Love, Director of Meteorology

Mr Trevor Plowman, Chief Financial Officer

Corporate Strategies Division

Mr David Anderson, First Assistant Secretary

Mr Darren Schaeffer, Chief Finance Officer

Culture Division

Ms Sally Basser, First Assistant Secretary

Mr Paul McInnes, Assistant Secretary, Collections Branch

Mr Peter Young, Assistant Secretary, Film and Creative Industries Branch

Mr Philip Allnutt, Assistant Secretary, Literature and Indigenous Culture Branch

Environment Quality Division

Ms Mary Harwood, First Assistant Secretary

Film Finance Corporation

Mr Brian Rosen, Chief Executive Officer

Mr Ross Pearson, Chief Commercial Officer

Great Barrier Reef Marine Park Authority

Dr Russell Reichelt, Chairman

Mr Andrew Skeat, Executive Director

Dr Kirstin Dobbs, Acting Executive Director

Ms Margaret Johnson, Manager, Strategy and Policy Unit

Mr John Barrett, Director, Corporate Services

Heritage Division

Mr Theo Hooy, Acting First Assistant Secretary, Heritage Management Branch

Mr Terry Bailey, Assistant Secretary, Heritage Assessment Branch

Mr Greg Terrill, Assistant Secretary, Heritage Strategy Branch

Industry, Communities and Energy Division

Mr Ross Carter, First Assistant Secretary

Mr Stephen Oxley, Assistant Secretary, Renewable Energy Branch

Marine and Biodiversity Division

Ms Donna Petrachenko, First Assistant Secretary

Ms Tania Rishniw, Assistant Secretary, Marine Conservation Branch

Mr Andrew McNee, Assistant Secretary, Marine Environment Branch

Mr Ian Cresswell, Assistant Secretary, National Oceans Office Branch

Ms Jenny Boshier, Director, Biodiversity Trends Section

Mr Carey Robinson, Director, Vegetation Policy Section

National Gallery of Australia

Mr Ron Radford, Director

Mr Alan Froud, Deputy Director

National Library of Australia

Ms Jan Fullerton, Director General

Mr Gerry Linehan, Assistant Director-General, Corporate Services

National Museum of Australia

Mr Craddock Morton, Director

Ms Suzy Nethercott-Watson, General Manager, Operations

Mr Mathew Trinca, General Manager, Collections and Content

Ms Louise Douglas, General Manager, Audience and Programs

Mr Jeff Smart, Chief Finance Officer

National Water Commission

Mr Ken Matthews, Chief Executive Officer

Mr Gary Bullivant, Chief Financial Officer

Ms Kerry Olsson, General Manager, Water Reform Group

Mr Matt Kendall, Project Director, Water Science Group

Natural Resource Management Programs Division

Ms Alex Rankin, First Assistant Secretary

Mr Hilton Taylor, Assistant Secretary

Old Parliament House and National Portrait Gallery

Ms Jenny Anderson, First Assistant Secretary, Old Parliament House and the National Portrait Gallery

Ms Kate Cowie, Assistant Secretary, Research, Exhibition and Programs, Old Parliament House

Dr Paul Salmond, Assistant Secretary, Heritage and Property, Old Parliament House

Mr Andrew Sayers, Director, National Portrait Gallery

Parks Australia Division

Mr Peter Cochrane, Director of National Parks

Policy Coordination Division

Mr Malcolm Thompson, First Assistant Secretary

Mr Sean Sullivan, Assistant Secretary, Portfolio Policy and Advice Branch

Mr Peter Webb, Director, Budget Strategies Section

Water Reform Division

Mr Tony Slatyer, First Assistant Secretary

Mr Mark Carruthers, Director, Budget and Finance Section, Water Group

Water Efficiency Division

Mr Malcolm Forbes, First Assistant Secretary

Water Governance Division

Mr Ian Robinson, First Assistant Secretary

Mr Steve Costello, Assistant Secretary, Water Smart Programs Branch

CHAIR (Senator McEwen)—Good morning, everyone. We commence with the examination of the Environment, Water Heritage and the Arts portfolio, in accordance with

the agenda. The committee has fixed Thursday, 10 April 2008 as the date for the return of answers to questions taken on notice. Senators are reminded that written questions on notice should be provided to the secretariat by close of business on Monday. Under standing order 26, the committee must take all evidence in public session. 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 treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test 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 purpose 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 any person has discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

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. An officer called to answer a question for the first time should state their full name and the capacity in which they appear, and witnesses should speak clearly and into the microphones to assist Hansard to record proceedings. Mobile phones should be switched off.

I welcome Senator the Hon. Penny Wong, Minister for Climate Change and Water and representing the Minister for the Environment, Heritage and the Arts, and portfolio officers. Minister, did you wish to make an opening statement?

Senator Wong—No thank you, Chair.

CHAIR—I will then call the agencies in accordance with the agenda. I now call officers—

Senator IAN MACDONALD—Madam Chair, could I just interrupt there. This is a new department. The minister is the Minister for Climate Change and Water. The estimates relating to climate change are now, I understand, on Friday. Water seems to be today. We have now included arts in this particular portfolio, which it was never before. I am wondering if we might not usefully start by just asking the secretary to give some indication of the changes in the portfolio and the minister to explain in what capacity she actually attends here today. Is she the minister representing, or is she the minister in her own account?

Senator Wong—I would refer you to the announcements made by the Prime Minister when he appointed the cabinet and the ministry and also the subsequent AAOs which the

government issued. I am the Minister for Climate Change and Water. I have two departments reporting to me. The Department of Climate Change I understand has been listed for Friday. That is a department within the Prime Minister's portfolio. I am also responsible for water, which is one aspect of the department which appears before you today. In relation to the other aspects of this portfolio—Environment, Heritage and the Arts—I am here representing Minister Garrett. I will refer to the secretary if there are any further matters in relation to the administrative arrangement orders he might wish to bring to the committee's attention.

Senator IAN MACDONALD—Minister, in relation to the water aspect, you are the minister for water but you seem to be in the Prime Minister and Cabinet portfolio. Can either you or the secretary to explain who is the senior minister in this portfolio in relation to the matters with which the department deals and what is the pecking order? What influence does Mr Garrett have in relation to water matters, if any? What is your involvement with other aspects of the environment portfolio, which quite clearly intertwines with climate change? The whole environment process is part of the fight against climate change. I am interested to hear from the secretary just what his department's role is in relation to climate change. I understand that the old Greenhouse Office has now moved out of your department. What is your interaction with the Department of Prime Minister and Cabinet (Climate Change) and how does this all work out in the area of administration?

Mr Borthwick—There were several aspects to your question.. In terms of my responsibilities, we are the Department of the Environment, Water, Heritage and the Arts. I have two ministers that I report to, Minister Garrett with respect to environment, heritage and arts matters, and Minister Wong with respect to water matters. It is an unusual situation—one department reporting to two different ministers, with those ministers having two different responsibilities—but I report to Senator Wong on water matters and Minister Garrett on environment, heritage and arts matters.

Vis-a-vis the split up in terms of climate change responsibilities, you are right; the former Australia Greenhouse Office was changed in terms of the Administrative Arrangements Orders. Some of those functions went to the Department of Climate Change, some of them went to the Department of Resources, Energy and Tourism and some of them remained in the Department of the Environment, Water, Heritage and the Arts. I can elaborate on what changed if that is the direction that you want to—

Senator IAN MACDONALD—Perhaps we will do that later when it is listed on the agenda. I do not want to interfere too much with the committee's arrangements for this. Appropriate though I think they are, I want to indicate that I think the putting of the departmental issues last is unusual. It is unique—well, not unique anymore, it seems to be happening in all the estimates committees. It is quite obvious—

CHAIR—They are not last. They are after the Bureau of Meteorology.

Senator IAN MACDONALD—They are not first, which is the normal way.

Senator WEBBER—No, it is not.

Senator IAN MACDONALD—That is simply not correct. Anyhow, we will do that at the time. I just want to find out from Mr Borthwick what the arrangement is in relation to matters in water that really interact with both Minister Wong and Minister Garrett.

CHAIR—Senator Macdonald, can we ask those questions when the department comes up. It will be this morning, shortly after the Bureau of Meteorology and the Great Barrier Reef Marine Park Authority.

Senator IAN MACDONALD—I was after a comment from Senator Wong too on just what her responsibility is where it overlaps with Minister Garrett's. Who is the senior minister? I am quite sure that you and Mr Garrett will have different views because you have got different approaches. The secretary is going to be all over the ship wondering who to take instructions from.

Senator Wong—First, Senator Macdonald, just to let you know—possibly you did not attend these committees previously—my recollection is that the Bureau of Meteorology and the Great Barrier Reef Marine Park Authority —

Senator IAN MACDONALD—Minister, I did and you did not.

Senator Wong—Have you finished, Senator Macdonald?

Senator IAN MACDONALD—I am just saying that I attended these and you did not. You were rarely here, Minister; in fact, this was not your portfolio area. But carry on.

Senator WEBBER—Absolute rubbish!

Senator Wong—We will not go there. My recollection is that the Bureau of Meteorology and the Great Barrier Reef Marine Park Authority have regularly been the first agencies on the agenda. Obviously the agenda is a matter for the committee not for the government.

Senator IAN MACDONALD—Thank you. Now can you get on to the question I asked you about yourself?

Senator Wong—If I could finish—

Senator IAN MACDONALD—We do not need a lecture on the committee system.

Senator Wong—I will get to your question. I am responding to an assertion you made earlier which was incorrect. I thought it was important that that be corrected.

Senator IAN MACDONALD—Leave the committee to the committee thanks. You are a minister now.

Senator Wong—Senator Macdonald, you have asked a question. Do you want me to answer it or not?

Senator IAN MACDONALD—Please do. Do not lecture us about the committee.

Senator LUNDY—Then be quiet.

Senator Wong—My understanding is that that is the order that we usually have. If the committee wishes to change, that is a matter for them. In relation to the responsibilities, as I and the secretary have indicated very clearly to you, and as the Prime Minister announced prior to the swearing in on 4 December and as is outlined in the AAOs, I am the minister for water. There is only one minister for water. I am responsible for the water aspects that fall within my portfolio within this department. Minister Garrett is responsible for the environment programs, heritage programs and arts programs which fall within this portfolio.

Senator IAN MACDONALD—But you would accept that most of the environment areas deal with climate change and water. Not specifically in relation to the water branch, but in the branches of this department which deal with climate change and water, I am just wondering what the arrangements are. Who gives the instructions? Where does the reporting go to or does it go to two?

Senator Wong—In relation to climate change, unlike the previous government, this government recognises that this is a central challenge for government. That is the reason why we have created within the Prime Minister's portfolio a Department of Climate Change, which has overall responsibility for climate change policy. It also has specific responsibility for a range of programs, and those will be the subject of estimates considerations on Friday. There are programs across government which you could say have a climate change dimension to them. We recognise the whole-of-government nature of this challenge. That is why the Prime Minister created within his own portfolio the Department of Climate Change. As Secretary Borthwick has indicated, there are programs within both this portfolio—within Minister Garrett's aspect of this portfolio—and the Resources, Energy and Tourism portfolio which do also have a climate change dimension, but those programs are the responsibility of the relevant ministers. In other words, there are programs within the environment portfolio which one might suggest have a climate change dimension, but they fall within Minister Garrett's portfolio. They are not within the Department of Climate Change.

Senator IAN MACDONALD—Minister—and whether it is just me—you seem incapable of answering a question that I asked. Perhaps we will explore this all at greater length later. But thank you, Madam Chair. That gives me some confused idea of how the department is set up and how the ministerial responsibilities lie.

[9.17 am]

Bureau of Meteorology

Senator BIRMINGHAM—Could the bureau tell us what steps they have to take to meet the government's two per cent efficiency dividend please?

Dr Love—The two per cent dividend has been reflected, I guess, in our budgets. The sorts of measures that we are looking at across the organisation include—in the medium term rather than the immediate savings—further centralisation of provision of services, further automation of collection of observations, improved systems for management services and the like. Essentially, the stress in the organisation is to manage within the resource available by finding new efficiencies and using new technologies to deliver the same services that we deliver now in a more effective way. Essentially, it is fair to say that last week we had a two-day planning meeting where we looked at a range of options as to how to manage. We have not converged on all of those options at the moment, but that is the process that is going on right now in the organisation.

Senator BIRMINGHAM—One of the words you used in that response was further centralisation. Does that mean that we can expect to see some of the bureau's functions that may be based around the country centralised into Canberra?

Dr Love—The bureau is headquartered in Melbourne. It is probably the largest element of government headquartered out of this town. Inevitably centralisation may in fact mean

relocation of small forecasting offices in provincial Australia to state capitals. We still run a state based service provision organisation. In every state capital, and in Darwin, we have a regional office. Those offices provide the services for those states. We do have a number of very small forecast offices, typically two or three people, in regional Australia. Those offices are almost a hangover from the Second World War. It is a structure that, with today's automation, does not make a lot of sense. I guess we will look particularly to centralising those elements of service provision. so they probably will not come to head office; the responsibilities will probably go to state capitals rather than to provincial cities.

Senator BIRMINGHAM—How many of those two-person regional offices do you currently have?

Dr Love—Probably eight around the land.

Senator BIRMINGHAM—Where are they?

Dr Love—Launceston, Rockhampton, a bigger office in Cairns and a bigger office in Townsville. I think Port Hedland has gone. Then we have service provision out of some of our upper air stations that we will have to review as well.

Senator BIRMINGHAM—What types of roles do they currently fulfil?

Dr Love—Mostly interacting with the local communities. The observers at those upper air stations would do live radio crosses, for example, to local radio. Sometimes, if you are in rural Australia, you will hear a Bureau of Meteorology person talking about the person on local radio—those sorts of things.

Senator BIRMINGHAM—What time line would you expect for their possible relocation into state capitals?

Dr Love—As I said, we have not finalised any plans but I will be looking over the next four years, which is my forward estimates period, to working out the efficiencies we have to put in place.

Senator BIRMINGHAM—Can we get you to provide us with a full list of those smaller regional offices at some stage, the numbers of staff based in each of those and their roles.

Dr Love—Yes.

Senator BIRMINGHAM—Could you please tell me about the grant or funding the bureau received under the national plan for water security?

Dr Love—We have received administrative expenses to set up a water information division within the department, and that is proceeding. There has been some recruitment of staff. I believe there is a sum of dollars there as well for passage to the states to assist them in improving their ability to do water metering. So we have some administered expenses as well as funds for setting up a water division within the bureau.

Senator BIRMINGHAM—How much funding has the bureau received under the plan or is budgeted to receive?

Dr Love—I can tell you the administrative expenses are \$10 million, which is passage to the states. My Chief Financial Officer, Trevor Plowman, has written some numbers.

Mr Plowman—For the 2007-08 financial year we have \$9.7 million worth of departmental funding after the savings initiative of \$5 million. In terms of administered funds, we have \$10 million for 2007-08, \$20 million for 2008-09, \$20 million for 2009-10 and \$10 million for the following year. Would you like further details on the departmental ones?

Senator BIRMINGHAM—No, that is okay. My understanding is that the government has announced through Minister Tanner on 6 February a reduction in departmental funding for the bureau, under the national plan for water security. Is that correct?

Dr Love—Yes, there has been a rephasing of \$5 million of the departmental funding, so Trevor's number of \$9.7 million was actually after the \$5 million came off.

Senator IAN MACDONALD—It used to be \$14 million; it is now \$9 million.

Dr Love—Yes, \$14.7 million; \$9.7 million now.

Senator BIRMINGHAM—You said there was rephasing. Does that mean you expect it to come through in the forward estimates?

Dr Love—No, it has been rephased, but the statement is that it is beyond the forward estimates period.

Senator IAN MACDONALD—So you will get it back, but after four years?

Dr Love—Yes, we have to negotiate it back.

Senator IAN MACDONALD—This is typical. All of these so-called cuts are not cuts, as announced by Mr Tanner. They are just going from some other area of the budget. You seem to have missed out. Senator Wong told us in question time last week that the cuts to the other environmental programs were not really cuts; they were cuts from this department but they were going to be funded through some other program. Obviously you have not been that lucky; you are going to lose the \$5 million outright for four years.

Senator Wong—I think Dr Love's answer was that this funding would be rephased and his indication was that it was to be rephased beyond the forward estimates period.

Senator IAN MACDONALD—That is exactly what I said. It is \$5 million he will not have for the next four years, which means a cut for this very, very important agency that has a huge amount to do with climate change, not to mention natural disasters, and they have been cut by \$5 million for the next four years. Other agencies seem to be getting it from some other program and so it is not a cut at all but yours seems to be a real cut for the next four years. Is that your understanding, Dr Love?

Dr Love—I have not studied the way the cuts have been applied to other agencies.

Senator IAN MACDONALD—Good answer.

Senator SIEWERT—Was the \$5 million cut because you were not in a position to actually make use of the money; you had not put the requirements in place? If that is not the case, what is not happening that could be happening if you had that \$5 million.

Dr Love—The reason I guess the \$5 million was cut from the bureau was in fact we did provide the department of finance with advice that in the water division in this financial year we were unlikely to use the full \$14.7 million and so in fact the cut of \$5 million reflected our

advice to the Department of Finance and Deregulation that we did not expect to expend all our money in this financial period. Just recruiting people, recruiting the right water experts, takes time.

Senator SIEWERT—It was fairly ambitious when you were given the money in the first place. In fact I think we had this discussion at the last estimates. It seemed to me a fairly ambitious plan to get the type of people that you needed and to get the program that you were trying to do on board, in the space of time, escalating it as rapidly. I think we also had a discussion about the unavailability of experienced personnel as well.

Dr Love—Yes, that is right. I think we have been satisfied with the quality of people that we have had applying. There is expertise in Australia to do what we have to do; there is just bringing people on board, making sure you have the right people and going through the full merit processes in recruiting. We were aiming to recruit about 50 people this year. We will not achieve that and they will come on much more slowly than our optimistic hopes in the beginning. I think I might have reflected at the estimates hearing last time that it was, nevertheless, an ambitious program. Our advice to Finance, of course, was clearly that we thought we would not achieve the full measure.

Senator BIRMINGHAM—Was all of the \$5 million expected to be expended on salaries?

Dr Love—No, it would have been a mixture of administrative expenses, goods and services, travel and all those sorts of things.

Senator BIRMINGHAM—People related expenses?

Dr Love—Yes, people related expenses, but it also would go to accommodation, leases and so on. You have to put people in buildings and so on. That takes time. Some of the people are recruited to Melbourne; some are recruited here in Canberra. There will be a section in Canberra. Everything takes time and spinning it up is taking longer than we had hoped.

Senator BIRMINGHAM—How quickly do you think you will be fully operational under the plan for water security?

Dr Love—Our challenge is to produce water accounts, and I guess at the end of this year we will produce our first sets of water accounts. We do have capability in my organisation before we took on this new function, but the water division will build capability over the next three years, and so we will increase our capability incrementally over the next three years, but in the first 12 months we will be 70 per cent there, 80 per cent there and so on.

Senator IAN MACDONALD—How are you going to pay for that?

Dr Love—We do have appropriations.

Senator IAN MACDONALD—How much?

Mr Plowman—In the 2008-09 year we have got funding for the water initiative of close \$20 million, moving to \$29 million for the 2009-10 year and \$31 million for the 2010-11 year.

Senator IAN MACDONALD—Is that going to be sufficient for what you think you are capable of doing?

Dr Love—Yes.

Senator BIRMINGHAM—When were you originally expecting to be able to produce the water accounts?

Dr Love—Our intention is to attempt to do that at the end of the 2008 year.

Senator BIRMINGHAM—That was always the intention?

Dr Love—I think that has always been our plan since we have been given the function which is, as you would be aware, relatively recent. It is not as though we sat down four years ago and said, ‘We will do this in 2008.’ It has all come on in 2007 essentially.

Senator BIRMINGHAM—So the \$5 million you have to return and the delays in recruiting the appropriate staff have not changed the deadline that you are working towards to try to produce the first set of water accounts?

Dr Love—No and, in fact, we have a springboard to take off from because the old National Water Commission in fact produced every second year national water accounts, and so some of those staff have moved across into our organisation. National water accounts will evolve, is my expectation, and we will start off building on the foundation created by the National Water Commission. We will improve the database that we have across this nation of where the water is, how it is moving, who controls it and water accounts will grow increasingly sophisticated over the next 10 or 15 years. They will become annual, rather than every second year, and the intention of this investment is that we systematically improve how we are going to do that. If I can draw an analogy to weather forecasting, when we started using computer models to assist us in weather forecasting 25 years ago the forecasts were not very good, but now we have reached the stage in 25 years where you could not have contemplated how good they are now. These things are just incremental: you improve, the science develops, the database develops and we increasingly get the people that collect the data to contribute to our databases.

It is a building process. We are in the beginning of that, it is a tremendous national investment and I think the fact that we probably went in fairly ambitiously and we are now a couple of months behind where we would like to be in the long run is neither here nor there. That is just a reflection of the reality of recruiting people, the Christmas period, all those sorts of things.

Senator BIRMINGHAM—Are there any other program areas where the bureau is currently underspent?

Dr Love—Not in a program area. The area where expenditure this year, I believe, is not tracking as well as I would hope is expenditure on assets, which is not any single program. Particularly with an organisation like the bureau, we have to continually replace radars, we have to replace upper-air stations, we have to replace a lot of physical infrastructure—automatic weather stations out on tropical reefs and those sorts of things. The lead time to do all of that work is fairly long. By way of example, I have automatic weather stations out on the tropical reefs off Queensland. Those were all put in there about 20 or 25 years ago. I would like to start replacing all of those. I have the asset money, but the process of getting contractors in Northern Australia to do work is really, really difficult. I can assure you that off the north-west coast and off the Queensland coast getting contractors is a slow process. It just all takes time. It takes longer than you hope. So it is not any one particular program, but my expenditure of asset money right now at this point in the financial year I am less than happy

with—but I am also beating the drums in the organisation. But, if we cannot find the people to do the work, we cannot find people to do the work.

Senator IAN MACDONALD—Do you have an ability to switch finance to other areas within your budget?

Dr Love—Assets is a bit tricky. The depreciation expense the bureau gets is about \$50 million or \$48 million on our current asset base. As I said in the introduction, we have a lot of facilities in remote Australia—Cocos (Keeling) Islands and all through the north of Australia. Those facilities need constant renewal. They are relatively small jobs in relatively isolated locations. It is hard to do a lot of switching in that environment.

Senator IAN MACDONALD—Do you have an ability to switch the water offices, if I can call them that, to perhaps ameliorate some of the difficulties you are going to face with the increased efficiency dividend?

Dr Love—There are two parts to that. One part is: can I use the water money to do other things? The other part is the difficulties we face with increased funds. I am not agreeing to the assertion that we face any particular difficulties with additional efficiency dividends. On the issue of whether we can move—

Senator IAN MACDONALD—Sorry, I was outside at another estimates committee for a short time, but I came back and you were telling Senator Birmingham about two-man stations that will have to be shut down because of the efficiency dividend.

Dr Love—The two per cent in the bureau's context will just lead to an acceleration of the restructure of how we deliver services. Regardless of that two per cent, the bureau does have to restructure. The bureau I currently direct has a lot of structural elements that were put in place in 1945 to 1950, and we basically have maintained those. Technologies for communicating information particularly and the way the media have centralised in Australia in the last 10 or 15 years have made the structure that we have across the country not the best structure that we could have. What the two per cent will do is just accelerate in my organisation transformation to a more appropriate structure, to be very honest.

Senator IAN MACDONALD—I want to come back to that, but I do not want to interrupt too much Senator Birmingham's line of questioning.

Senator BIRMINGHAM—I was looking to come back to the same issue as well. You said that those regional stations are primarily in community relations or community liaison type work?

Dr Love—Some are exclusively doing that sort of work. The prime example of that is our Launceston office. It essentially provides meteorological services to the north coast of Tasmania. It does a great job, and it is highly regarded along the north coast of Tasmania.

Senator IAN MACDONALD—Yet it is going?

Dr Love—I am always faced with issue of why the north coast of Tasmania has a very small, two-person office providing our particular service when I cannot provide a similar service to the south-west coast of Victoria or most other parts in regional Australia. It is a unique office which was a bit of a pilot to see if a particular service worked at a particular time.

Senator IAN MACDONALD—And it did work?

Dr Love—It is certainly well regarded by the community.

Senator IAN MACDONALD—Perhaps you should be looking at how you can fund someone in south-western Victoria rather than how you cut back someone in northern Tasmania.

Dr Love—And I am sure, as I develop my plans, that will be an option for government. No decisions have been taken, but I have to structure an organisation to most effectively use the resources that are available to me.

Senator IAN MACDONALD—Using the resources you have available, which have just been cut by \$5 million. I am sure that Senator Brown and other Tasmanian senators want to question you about that later. But tell me, Dr Love—being excusably, I hope, parochial to the north of Australia—which two-man stations in the north are you likely to be taking the axe to because of financial constraints?

Dr Love—The smallest station in the north is Rockhampton, and Rockhampton comes into its own when there are exercises in Shoalwater Bay. Then we would put extra staff in there, funded by Defence, when they run exercises in Shoalwater Bay. But Rockhampton is a small office that does some local forecasting. It has technical officers there. That is probably the smallest along the Queensland coast—

Senator IAN MACDONALD—It would also do into Emerald and all those places that have just been devastated by floodwaters?

Dr Love—All their services would come essentially out of Brisbane. The Rockhampton services would be for the local community within 25 kilometres of Rockhampton, essentially. That is the sort of forecast area of responsibility of the officers at that station.

Senator IAN MACDONALD—I can assure you that the Labor member for Capricornia will be raising hell and high water with the minister when you attempt to cut that one, but what other ones are there?

Dr Love—That is the smallest on the Queensland coast. Then I think we would have to look at the service provision out of both the Townsville and the Cairns offices. Townsville is pretty much funded by Defence and aviation, whereas the Cairns office is more of a public weather office but it has a larger staff and a greater responsibility because of the role with the international airport there.

Senator IAN MACDONALD—I know you are aware, Dr Love, that the most popular part of the morning programs on both the ABC and the commercial radios is the cross to the local bureau of meteorology to, first of all, talk about the weekend cricket and then to get onto the weather. It is a hugely important service to those very large communities in Townsville and Cairns.

Dr Love—I am aware that my observing staff do 300 to 400 live crosses a day, across Australia, on regional radio.

Senator IAN MACDONALD—So that is going to disappear from the landscape.

Dr Love—I would not say disappear—

Senator IAN MACDONALD—We will get them from Brisbane, Sydney or Canberra; that will be useful!

Dr Love—No, I think that the stations that we must retain are the observing stations that let go weather balloons. We need a grid of those across the country and we need an evenly-spaced grid. Many of the officers who staff those stations do the radio crosses that you hear today, and those stations must be retained and will be retained.

Senator IAN MACDONALD—I do not want to confuse the issues. You know better than anyone else that the north—be it north-east or north-west—are the real hot spots of climate and weather in Australia, and yet you are talking about reducing—

Senator BOB BROWN—Tasmania, Senator—

Senator IAN MACDONALD—the interaction between the bureau and, at times, a very nervous public in those areas.

Dr Love—I am not talking about reducing the interaction, necessarily. I think you need to look at the structure of the bureau and how we provide services. I keep going back and saying that a lot of the structure was put in place a long time ago. I am sure just about everybody in this room uses our web, and 20 years ago nobody used the web. Ten years ago a few people used the web. This year we will get every month about 1½ billion hits on our website. There is a lot of people using our website to get information, and that comes out of Melbourne. They are not saying, ‘We won’t use your website because the information does not come out of Northern Australia.’ For the metrological information and the climate information people want, they want to get it using modern techniques.

In a sense the radio crosses are important, so I think we can maintain those. For example, in Hobart, many of those services now do come out of Hobart. The Launceston office tends to be staffed from nine to five, rather than 24/7, simply because modern technologies let you do those things efficiently. The radio crosses, when they come out of the forecast offices in the state and territory capital cities, are often delivered by the meteorologists who are preparing the forecasts, and that is very much appreciated by the citizens that hear it. So, it is not a question of diminishing the service; it is an alternative way to provide a better service—and that is my challenge: to provide a better service with fewer dollars using modern technologies, and there are ways of doing that.

Senator IAN MACDONALD—We all do use it. I follow the floods up my way while I am stuck down here. It is a very good service, but I would suggest to you that, whilst I would go onto the website 10 times a day—and so your figures are probably a bit skewed, because there would be a lot of people who use it a lot—I think you would find a lot of people, as they are driving to work, cannot access their computers; and as people are involved in their physical work they cannot access their computers. And the confidence of having a person on the spot means a hell of a lot to communities across the north, and elsewhere in Australia where there are calamities. That cannot be solved by having a glance at the computer, if you happen to have the power on at the time.

Dr Love—As you know, I spent 12 or 13 years in Darwin, and the people in the north do like to hear the voice from the north.

Senator IAN MACDONALD—For a lot of good reasons, not just because they like it.

Dr Love—Yes.

Senator BIRMINGHAM—In addition to the media work they do, do these community liaison roles also extend to working with local schools, or community groups, or those types of things?

Dr Love—Yes, in most of these towns. As I just said, I spent a long time in Darwin, and I had offices in Tennant Creek, Gove and Alice Springs. The school groups loved to go to the weather office and observe us letting go the weather balloon and explaining the instruments. It is a touch with science for them, and so there is no doubt that school groups do find the Bureau of Meteorology sites interesting.

Senator BIRMINGHAM—I imagine, with increased focus on climate patterns and so on, there is probably increasing demand both in regional and metropolitan areas for that type of school interaction.

Dr Love—Sure.

Senator BIRMINGHAM—What role do Japanese satellites play in weather forecasting in Australia?

Dr Love—Each one of you looks at the satellite picture from the Japanese satellite every time you see a weather thing on television, or in your newspapers. The Japanese geostationary meteorological satellite has been incredibly important for meteorology in Australia, and the bureau has worked as a part of that program ever since they first launched them, which would have been about 1978-79.

Senator BIRMINGHAM—Has Japan requested support, or additional support for the capital or operation of those satellites?

Dr Love—No. The Japanese government has never formally requested support. I know it has been considered by their administration from time to time—probably not in the last five years—but they have never formally requested support.

Senator BOB BROWN—Are the two staff in Launceston potentially going to be transferred to Hobart?

Dr Love—It is hard to know. I have no plans to transfer them now. We typically have had a technical officer and an observer in that station and there is a history of the observers from that station going to Antarctica. A lot of the bureau staff move around our stations. We have 60 sites across Australia, including four in the Antarctic, so there is a constant churning of staff. If we did something like that the staff would have the normal options under the Public Service Act, which would be redundancy or a transfer to a station where there was a job. There certainly would be employment opportunities in the bureau in Hobart if they wanted to go to Hobart. Those staff members are incredibly valuable. I would hate to see them leave the organisation, and we have got work for them all over the place.

Senator BOB BROWN—What is the progress on the tsunami warning systems in south-east and north-west Australia?

Dr Love—The progress is good. We are ahead of all the milestones we set ourselves or we agreed on when we received the funding nearly four years ago now. On 1 March, which is coming up shortly, we will launch our second DART buoy. As you know, we have launched one off the trench between Hobart and the South Island of New Zealand. That was our first one in the water, and that is working well. It was put there because we were using the CSIRO marine lab people to put it out there. That worked well. The second one will go in off Queensland between Vanuatu and the north coast, and that will happen on 1 March. We will put another one in the south Coral Sea down towards the Tasman, sort of off Sydney—between Sydney and New Zealand—which will put three off the east coast. We are progressively bringing on line our tide gauge network, and Geoscience Australia is implementing a seismometer network that is on line as well.

The other issue is putting two tsunami buoys south of Indonesia. We have not proceeded with that yet. The plan is to put them in this year. We are negotiating an agreement with the Indonesian government to make sure that they do not become the victims of pirates or scrap metal collectors. That has happened to Bureau of Meteorology assets off north-west Australia in the past. We have found automatic weather stations for sale in Hong Kong. I do not want that to happen again, and so I would like the Indonesians to have some ownership of these and the Indonesian Navy to take—

Senator BOB BROWN—Will they be international waters?

Dr Love—They will be in international waters, but the fishermen also fish in international waters up there. So it is a bit tricky, but I think we will be okay. Right now the Americans are putting a number of tsunami buoys in the north part of the Indonesian waters in the Indian Ocean, and then we will fill in a couple of gaps to the south. We are waiting for them to finish their program because they have essentially got the Indonesian agencies all tied up with their work at the moment. We still hope to get them in this year, which would complete our program, with five in the water and a couple of spares. Every six months we would just keep rolling them over.

Senator BOB BROWN—With the tsunami warning system off the south-east coast of Australia, what warning would that give of a major tsunami event?

Dr Love—We are very fortunate in Australia that where all the plates scrape together, they are a fair way away from our coastline, and we have got 90 minutes warning essentially guaranteed for every part of the Australian coastline. We would never have less than 90 minutes warning. Most times we have four or five hours. In fact, one of the areas where we have least warning is probably Hobart, if something happened in that trench off New Zealand, but we have 90 minutes warning. A tsunami moves about the same speed as a jet liner, so how long does it take to fly to Christchurch from Hobart?

Senator BOB BROWN—There has been some speculation in the last 12 months about that plate in New Zealand. Have you got any information on that?

Dr Love—Some people consider meteorology an imprecise science, but forecasting geological activity is much less precise again. It is considered less stable than the Indonesian plate. Now, I am a meteorologist completely out of my field but I think a one-in-200-year

event on the Indonesian plate is about a one-in-50-year event on the New Zealand-Vanuatu plate.

Senator BOB BROWN—What sort of event are we looking at there?

Dr Love—I would be hazarding a real guess there. The Americans are doing stuff in the Indian Ocean, so that is why we have gone off the east coast of Australia first rather than second, and that is where our population density is greater, of course. We are finding now that with the Joint Australian Tsunami Warning Centre in Melbourne we issue bulletins about once every two weeks—once every 10 days, probably—and 90 per cent of those are recalls. So you get seismic activity and then a little bit later you watch the sea surface and you can see whether you have got a tsunami or not, and you recall it if you have not got a tsunami. It is a fair workload, we have discovered, running a tsunami warning centre.

Senator BOB BROWN—Yes, because you get whipped if you put out a false warning, don't you?

Dr Love—That is right. We say they are not false. They are the preliminary warning on the earthquake.

Senator BOB BROWN—It is a tough but very important job.

Dr Love—It is a hard game.

Senator BOB BROWN—What is the status of La Nina, and the prospective rainfall for Australia in the coming six to 12 months?

Dr Love—La Nina is probably reaching its peak. I have been expecting the question. Most people hear the word bandied around but, essentially, La Nina really means that the Pacific Ocean over near South America is very cold, and so there is a tendency for the tropical monsoon to be more active in our longitudes than normal. It is reaching its peak now, and our wet season is reaching its peak in the north. It is pretty clear that northern Australia, and even down through Western Australia, has had good rain fall. South Australia, Victoria, parts of NSW and Tasmania are still relatively dry. La Nina is historically about bringing good rains to northern Australia, rather than great rains to southern Australia. Every La Nina is different. Every El Nino is different. It has reached its peak. We could still get some good rains but as summer wanes our opportunity for getting the tropical dips which really bring the big rainfalls drop off a little bit. Then we will be back to relying on frontal rain in southern Australia, which is typically not as heavy. In the next month or two we have got to hope for some good rains in southern Australia, or it slips away into autumn again.

Senator BOB BROWN—Talking about Tasmania, Hobart had the driest January on record, since the 1860s. Is that an aberration, or is there some explanation for that, and what is the prospect for the immediate future in Tasmania?

Dr Love—Is it an aberration? Well, it is a statistical anomaly. It is right out there as a statistical extreme. I mean 150 years of data is not long, in all things. There is no doubt that the climate is changing; it is always changing. There is no doubt, in my mind at least—and in the minds, I suspect, of 90 per cent of climate scientists—that some of the changes are being driven by the increased greenhouse gases. I think that is pretty well accepted. Our modelling suggests that the rainfall in southern Australia will be reduced in a greenhouse world as the

greenhouse gas concentrations rise. There is evidence that the frontal activity is slipping south as the greenhouse gas concentrations go up. That comes out of the models. It is happening in the real data at about two or three times the rate in the models. The prospect of frontal rainfall for southern Australia is not as good as it would have been 20 or 30 years ago. That is why I come back to my La Nina question. If you want good rain in southern Australia, you have got to hope for a good, deep tropical dip. In fact, all the heavy rainfall events in Tasmania tend to be tropical dip situations, which put a lot of rainfall into the east coast of Tasmania, and we have not had one of those pushing down, this summer.

Senator BOB BROWN—As a consequence of La Nina?

Dr Love—I am not sure why we have not. It is just this particular La Nina. I do not think we understand the physics of what happens in La Ninas as well as we might.

Senator BOB BROWN—There was a program on the ABC last night about Hector, the thunderstorms in Darwin. It was indicated there that forest fires make storms worse in intensity, but they do not know why—perhaps due to particulate matter. Does the bureau have any information on that?

Dr Love—I am not aware of any. I know that whole TWP-ICE experiment was coordinated by the bureau. I did not hear that particular comment being made. I did not catch the whole program.

Senator BOB BROWN—Would you care to take that on notice?

Dr Love—Sure. In CSIRO there has been some global modelling which suggests the increased rainfall in the monsoon relates to particulates in the Asian brown cloud being vectored down to Australia in the summertime, and that is the only work that I know that relates to that sort of assertion. It comes from global modelling, it is being done by the CSIRO, and I think those are pretty preliminary results.

Senator BOB BROWN—The other is that if you ring up the bureau to get the general forecast, you spend the first couple of minutes listening to how much it is going to cost you and what buttons you can press, and every time you are confronted by this. I am sure you must have had some complaints about it. Is there any conceivable way that a person can just ring up and get the forecast?

Dr Love—No, I cannot either. All that palaver at the beginning is required by law. The Department of Broadband, Communications and the Digital Economy has established what we have to tell people before they can get phone services, and being very scrupulous public servants we follow the letter of the law.

Senator BOB BROWN—Thank you.

Senator IAN MACDONALD—Dr Love, you mentioned greenhouse gas emissions and global warming. In a sentence, what is the cause of global warming? Where does the problem emanate from? In a sentence!

Dr Love—Our use of energy.

Senator IAN MACDONALD—Use of energy?

Dr Love—Yes. The human race has been incredibly successful on this planet because we are able to harness energy to do things.

Senator IAN MACDONALD—The energy outputs in the world come from the highly developed, or the highly industrialised countries—is that right?

Dr Love—They come largely from fossil fuels, and as we know they are now coming from the developing economies as much as the developed economies.

Senator IAN MACDONALD—Are there statistics of where the emissions emanate from?

Dr Love—Sure. The UN Framework Convention on Climate Change, UNFCCC, runs a fairly thorough greenhouse gas inventory program.

Senator IAN MACDONALD—Would you know the top five, off the top of your head?

Dr Love—I could hazard a guess.

Senator IAN MACDONALD—Could you do that?

Dr Love—Clearly the US is first. China is second. I am not sure where we go then but I think Russia is big. If you put all of Europe as a block, they are probably third.

Senator IAN MACDONALD—Where does Australia rate?

Dr Love—Way down the bottom. In terms of total emissions?

Senator IAN MACDONALD—Yes.

Dr Love—We are not in the top 20 in total emissions.

Senator ALLISON—I thought we were closer to 10.

Dr Love—No, I do not think so. Anyway this is climate change work, and not my work.

Mr Borthwick—It would be the Department of Climate Change that would be responsible for these questions, but the level of emissions of Australia is about 1½ per cent of global emissions.

Senator IAN MACDONALD—I just thought that the bureau might do some assessments on those. That is why I am asking now.

Mr Borthwick—There are readily available league tables indicating the percentage of emissions that each country accounts for, and I am sure they would be able to provide it to you on Friday.

Senator IAN MACDONALD—We might take it up on Friday with the Department of Climate Change. It was my understanding, that it was about 1½ per cent. We are a very small player when it comes to greenhouse gas emissions.

Senator Wong—Senator Macdonald, I am sure my department on Friday will be happy to provide you with league tables. I do want to make two points. The first is that I have seen the data: there is some question about the relative position of the US and China in terms of their emissions currently—as to who is first. The second point is that we may be small in terms of our net emissions, but our per capita emissions profile is quite high by global standards.

Senator IAN MACDONALD—Forget the statistics. In relation to the change of climate in the world, Minister, Australia is a miniscule player.

Senator Wong—My point was that our per capita emissions are high by global standards.

Senator IAN MACDONALD—Yes, but that did not answer the question that I just asked, Minister, which was: in relation to the change of climate on the globe, Australia is a very, very small player.

Senator Wong—As I said, it depends on what parameters you use. Our per capita emissions are high by global standards.

Senator IAN MACDONALD—The climate changes because of greenhouse gas emissions.

Senator Wong—Correct.

Senator IAN MACDONALD—Australia's contribution to that as a nation is very small. It is less than 1½ per cent.

Senator Wong—That is the answer the secretary has given you. I am simply making the point.

Senator IAN MACDONALD—No; we are here to answer questions, not make points.

Senator Wong—I am responding, and I am indicating that we can provide this evidence in detail on Friday, and I simply made the point that our per capita emissions by global standards are relatively high.

Senator IAN MACDONALD—Thank you, Minister. I make the point that as far as the change in climate around the globe goes, what happens in Australia has very little impact.

Senator BOB BROWN—It has a big impact.

Senator IAN MACDONALD—Dr Love, you also mentioned, in answer to Senator Brown, that the climate was getting drier in the south. What is your forecast? Are you able to forecast what it is likely to be in the north at a future time that you might care to nominate? Is it possible for you to make an informed estimate?

Dr Love—That is a darned big question, and you have not really defined the time period.

Senator IAN MACDONALD—Let us say 10, 20, 50 and 100 years.

Dr Love—The forecast for the future is almost scenario independent. For the next 20 years it does not really matter which scenario you take, you are pretty much on the same curve. Then after 30 years, depending on whether the world is a high energy user or becomes very efficient, you get quite different outcomes in the 100-year or 70-year timescale. Globally, it is probably fairly easy to say what the temperature rise will be—and that might be another degree or a degree-and-a-bit over the next 20 to 30 years. When you try and make regional projections you find that, while the models are all quite consistent on a global scale, the regional projections have a fair bit more variability. So what the Intergovernmental Panel on Climate Change has tended to do is to look at where the models largely agree and largely do not agree. They largely agree that where there is a sub-tropical ridge—where the high pressure zones are—the rainfall will decrease, and that looks pretty much the same in all the models.

Most models also show a decrease in rainfall in the tropics fairly generally, but the one exception is the Australian tropics, where the real data, and even in a lot of model data, is showing some increased rainfall. So somehow the Australian tropics are a little bit different to the way the tropics in South America and even Africa are being treated. There is a little bit of a difference, and I do not think we quite understand some of the reasons. But my own expectation is that the tropical rainfall will hold up, and temperatures will increase slightly less in the tropics and increase more in the mid-latitudes. So you will be looking at three-quarters of a degree warming, but that is on average. Then as you come south you will get a bit more warming, probably. It seems that as you get into the subtropical ridge, the high pressure zones, the rainfall will drop off. Those results are relatively consistent. It is hard to get much more regional detail than that.

Senator IAN MACDONALD—Do your records over the years give you an indication about whether these floods that we have experienced in recent weeks and months in North Queensland are different or are a return to what we used to have 15, 16, or 17 years ago?

Dr Love—I think that the latter is probably more true. Whenever we have had a La Nina it looks like a good La Nina—a good monsoon rain situation. If you go back you find that Mackay has had some pretty horrendous floods in the long run. If you go back 60 or 80 years you find that there is quite a record of these events. It is as you say. I am sure you have recollections of being washed off the road in your Land Rover, and this is one of those events. It is not out of the ordinary, but there are a lot of people living in the tropics who are recent arrivals and they are saying, ‘Wow, this is extraordinary!’—but is it extraordinary?

Senator IAN MACDONALD—It is not, as you and I know.

Dr Love—It is not statistically aberrant.

Senator IAN MACDONALD—That is right. I have two very quick further questions. You are not taking new graduates this year, I understand. Can you just explain why that is?

Dr Love—For the record, this predates the decision to increase the efficiency dividend two per cent. I made the decision last year that, given the overall resourcing of the bureau and the staff levels, I could not afford to take on new graduates. I first joined the bureau in 1975. I have come and gone a few times, but in the 30-odd years I have been in the bureau, there were probably about five years when we did not run a meteorologists course. From time to time, as a matter of balancing off the staffing numbers, you cannot afford to do it. This year is one of those years; next year we will recruit meteorologists again. We already know that we will be within the staffing envelope to do that, even with an additional two per cent cut.

Senator IAN MACDONALD—Did you apply for additional funding from the previous government to allow for a graduate intake this year? That was a throwaway line; I do not care if you applied.

Dr Love—My resource situation was well understood by the previous government.

Senator IAN MACDONALD—That was not quite my question. Did you apply for additional funding to allow you to take graduates this year? Is it true to say there is a worldwide shortage of meteorologists and associated professionals?

Dr Love—There are certainly more people trying to recruit my staff than ever before. The answer is no, I have not gone to either government—the past or the current government—and asked for specific funding for a meteorologists course.

Senator IAN MACDONALD—Could I suggest to you that you might take your water money and divert it into a new intake to try and address the shortage that there is in the world. That is just a helpful suggestion. Finally, we have thrice got onto this question but we get to one and then move on. I heard that the Townsville station is in the firing line. What others are there in the north? This is an issue that is going to have a huge impact in the north because the psychological effect of having met bureau people in the north in times of calamity is huge. So I am just interested in where you might be.

Dr Love—As I said, I am reviewing the staffing in every office in the bureau, not only in the north. In the north we have staff in Mount Isa, Cairns, Townsville and Rockhampton. But in head office I am reviewing the staff as well. In fact, I am already looking for efficiencies within my staffing structures there. No area should ever be exempt from examination.

Senator IAN MACDONALD—So, specifically, Cairns and Mount Isa—where are they in the review?

Dr Love—There is no review team going around. A senior executive and I are just working across the bureau. It is both top-down, and bottom-up. You look at the priorities of the organisation, you look at what we have to do—which, as you say, is about safety of life and property and about maintaining a climate record—and then you look at where we have our resources deployed to do that. Then you say, ‘What is the most efficient and effective way with the current technologies?’ And we are in that process.

Senator IAN MACDONALD—Cairns is just a two-man station?

Dr Love—No, Cairns is a substantial station. It has a shift of weather officers, who essentially do forecasting duties, particularly related to aviation, and then we have weather observers there as well. So it is a weather observing station.

Senator IAN MACDONALD—What is the total staff in Cairns?

Dr Love—I would be guessing.

Senator IAN MACDONALD—Take that on notice.

Dr Love—I would have to take that on notice. The other group of staff there is a technical maintenance group, who maintain equipment and infrastructure in northern Australia. So there is a critical mass of staff in that office.

Senator IAN MACDONALD—Willis Island—that is still manned, is it?

Dr Love—As Senator Brown would say, we have persons out there. As you know, we have just spent about \$8 million refurbishing that. For the climate record and for the detection of cyclones, that is very important. We have three staff out there at the moment.

Senator IAN MACDONALD—There is no suggestion that that might be cut back?

Dr Love—No, I am not suggesting that I just spent \$8 million foolishly.

Senator IAN MACDONALD—You could not cut back by one without cutting back by three.

Dr Love—No, because of safety issues there is a certain minimum you cannot go below. There is psychological safety as well as physical safety.

Senator IAN MACDONALD—Are flood warning stations your responsibility? Do you pay for them or are they a state government responsibility?

Dr Love—A mixture. We have river height stations that we fund and support, and that we have implemented. There are alert systems up many of the river valleys in Queensland—in fact, all along the east coast—which we have put in cooperatively with local governments, sometimes using money from the Department of Transport and Regional Services. So there is quite a mixture. We do provide flood warnings, as you are well aware, as do state agencies.

Senator IAN MACDONALD—Does the on-the-ground support for those come from local or state government?

Dr Love—Sometimes. I have a team of technical officers who also maintain my own river height stations and often work with local government to help them maintain their own.

Senator IAN MACDONALD—Is there a call for more river height stations and flood warning systems? If there is, what is your estimate?

Dr Love—Once again, the funding for alert systems has tended to come from a mixture of local and federal governments—and, probably, state governments, which I am not deep into. Each major flood tends to produce a bit of a call for flood warning systems. When the Macalister River in Victoria flooded we worked with the state government to upgrade the systems. So the bureau tends to work cooperatively with whoever is interested and has got some resources, basically.

Senator IAN MACDONALD—You might like to take this on notice if you do not have the answer straightaway. Have you been specifically doing work related to the south-east Queensland catchments, particularly in relation to Wivenhoe and Somerset dams and the proposed Traveston Crossing dam? Do you have specific information about rainfalls there in recent weeks and recent years?

Dr Love—We would have all the rainfall records, and I will have to take it on notice as to whether anybody has been doing any work on those data in conjunction with that dam proposal. I will take it on notice but I am not aware of any work going on.

Senator IAN MACDONALD—If there is, can I have a report on it?

Dr Love—Sure. I do not believe there is, but I will check because I know it is important.

Senator IAN MACDONALD—If there is no specific information, could you get for me up-to-date information—in the last five years, if this is not asking too much—of rainfalls in the Traveston Crossing dam catchment, as opposed to Somerset and , Wivenhoe dams and the Hinze Dams, behind the Gold Coast?

Dr Love—I will take that on notice.

Senator IAN MACDONALD—And finally, I have a series of questions on notice in relation to numbers of staff and that sort of thing, which I would like to table.

CHAIR—Yes.

Senator BIRMINGHAM—Minister, given the Prime Minister's stated aims of wage restraint, will you or the Minister for the Environment, Heritage and the Arts be conveying those aims to the bureau in relation to senior executives, or making submissions to the Remuneration Tribunal?

Senator Wong—The Prime Minister has made clear the position in relation to government ministers and, in fact, all members of parliament. The government's position is that members of parliament, including all office holders, will not be receiving any wage increase until next financial year. In terms of the remuneration for departments, there is obviously a bargaining framework and bargaining arrangements which will occur at the agency level. The responsibility for Public Service employment matters lies with the Deputy Prime Minister.

Senator BIRMINGHAM—I take it that that is a 'no', and we will not be seeing any message conveyed from the Prime Minister urging wage restraint—

Senator Wong—Senator Birmingham, do not verbal me. That is not what I said. What I said was that the responsibility for bargaining arrangements within the Public Service lies within Deputy Prime Minister Gillard's portfolio. That portfolio is appearing on Thursday.

Senator BIRMINGHAM—We will hope to get some straight answers then.

Senator IAN MACDONALD—That does not apply to an agency like the Bureau of Meteorology.

Dr Love—Could you clarify the question? The bureau has a certified agreement process, as does the rest of the Public Service.

Senator IAN MACDONALD—Who determines wage structures in the bureau? Is it you or the Deputy Prime Minister's department?

Dr Love—It is a mixture of both. We will have some guidelines within which we can negotiate a certified agreement, and that certified agreement has to be approved by the relevant department under the new arrangements before it can be put in place. So a negotiation goes on and that sets the framework. Similarly, Secretary Borthwick has the same process for the rest of the department.

Senator IAN MACDONALD—But you have flexibility when it comes to engaging highly qualified and rarely found staff, surely.

Dr Love—Yes, we do. That is true.

Senator IAN MACDONALD—You have to go and meet the market for your senior executive people, don't you?

Dr Love—Yes, in essence.

Senator IAN MACDONALD—You are not going to get them if you are not offering them market prices, are you?

Dr Love—That is right, we have to offer the market price. I know that within the portfolio I am not after the rarest birds, and the current salaries within the APS allow me to get pretty talented officers to fill the positions I need to fill.

Senator IAN MACDONALD—But for the next 12 to 18 months you will not be offering any increases, in accordance with the Prime Minister's urgings.

Dr Love—I will have to see what the framework is that the Public Service is going to work in as it moves forward, and I truly do not know that, so I cannot answer that particular question.

Senator IAN MACDONALD—We found yesterday that Australia Post were getting some pretty massive salaries. I do not think they were terribly impressed with the suggestion that you would have to freeze your wages, and I am sure it is going to be difficult if that rule is imposed upon your organisation.

Mr Borthwick—There has been no suggestion that I am aware of of a freeze of wages in the APS.

Senator IAN MACDONALD—So it is only for backbench politicians and nobody else.

Senator BIRMINGHAM—So the Prime Minister's call for wage restraint across senior executives does not apply to the APS?

Senator Wong—Senator Macdonald, I am sorry if having a wage freeze upsets you, but the government's view, as the Prime Minister outlined, is that it is important that we lead by example. Inflation is a critical risk for the Australian economy and accordingly we have taken the decision that has been announced.

Senator IAN MACDONALD—But, Minister, six months ago you were on \$127,000 a year. Now you are on over \$200,000. How are you showing wage restraint?

Senator Wong—As I recall, unlike the previous government, we have actually, across the board, determined a position that all politicians should take a wage freeze for this period.

Senator IAN MACDONALD—But your salary has just about doubled in the last six months and Mr Borthwick is indicating, quite rightly—and I do not blame Mr Borthwick—that this does not apply to the Public Service or to the Bureau of Meteorology, where we came to.

Senator Wong—The question is, did we win the election? The answer is 'yes'. As I said at the outset, these are issues which should properly be addressed to the Department of Education, Employment and Workplace Relations, and my recollection is that the portfolio will be appearing on Thursday.

Senator IAN MACDONALD—I would be interested to pursue that further in relation to the agency. Perhaps Mr Borthwick could help us. Do semi-independent and multigovernment agencies like BOM and GBRMPA, the Great Barrier Reef Marine Park Authority, come within the Public Service Commissioner, or do they have a flexibility that is a little different to the public service.

Mr Borthwick—They will be taking guidance from the incoming government but they are currently operating under certified agreements, and it will be up to them to negotiate those within any guidance determined by the government.

Senator IAN MACDONALD—The final decision is the head of the agency not the minister.

Mr Borthwick—No. The guidance is provided by Deputy Prime Minister Gillard's department.

Senator IAN MACDONALD—The guidance is, but the final decision—whether you employ someone at this salary or whether you do not employ them at all—is left to the head of the agencies.

Mr Borthwick—As long as the certified agreement is within parameters determined by the government, the decision will rest with the agency head, yes.

CHAIR—Thank you very much, officers of the bureau, for appearing today.

[10.30 am]

Great Barrier Reef Marine Park Authority

Senator BIRMINGHAM—Could the authority firstly outline whether it is subject to the government's two per cent efficiency dividend and if so how it intends to meet that.

Dr Reichelt—Yes, we are subject to the efficiency dividend, as I understand all Commonwealth agencies are. This year, the amount for us is \$99,000 and it goes up to just over \$400,000 for the subsequent years. At this stage, this year we intend simple administrative restrictions, probably on things like travel given our purview up and down the coast of Queensland. I am looking at increasing our video conferencing for some of our outriding officers. It is a small adjustment out of our budget this year. Next year, we are reviewing right now what we will do. I am not envisaging any relocation of staff or reductions in staff at this stage but I am looking at what administrative efficiencies I can put in place.

Senator BIRMINGHAM—Does the efficiency dividend apply to the \$200 million committed under Labor's so-called reef rescue plan as well?

Dr Reichelt—I cannot say how that will apply. I defer to the secretary.

Mr Borthwick—That will be administered expenditure not departmental expenditure and hence it will not be subject, as I understand it, to the two per cent efficiency dividend.

Senator BIRMINGHAM—Okay. So it is not a bad deal then—\$400,000 off but you will get \$200 million in administered expenditure in the forward years. Turning to that plan, what staff are being devoted to its implementation?

Senator Wong—Sorry, could you repeat that Senator Birmingham?

Senator BIRMINGHAM—What staff, or what numbers of staff, are being devoted to the implementation of the plan?

Mr Borthwick—It is premature as yet to set that out. The government came to the election with commitments in terms of the breakdown of that reef rescue plan. That is a matter that is still to be subjected to cabinet consideration and then there will also have to be negotiation and discussions with Queensland. So it is work in progress at this stage.

Senator BIRMINGHAM—Which minister will be responsible for this? Is it Minister Garrett or Minister Wong?

Mr Borthwick—It is Minister Garrett.

Senator BIRMINGHAM—Minister Garrett—even though this rescue plan in part relates to climate change matters?

Mr Borthwick—Climate change is an aspect in terms of the reef rescue plan because one of the things affecting the resilience of the reef is the quality of the water running off into the reef lagoon. Climate change is only one of the factors affecting the reef. This is clearly a natural resources management program and that is within the responsibilities of Minister Garrett.

Senator BIRMINGHAM—So this is one of those nice areas of departmental or bureaucratic overlap. The government's pledge to monitor water quality in the reef has, in particular, highlighted run-off from farms. What work will be undertaken to ensure the recent rainfall in Queensland does not have a significant effect?

Dr Reichelt—There has been a lot of work done in the last couple of months to put in place the monitoring programs. Our responsibility is to monitor the water quality and report back upstream to those managing the catchments. We do have programs in place, and I am getting reports on what is happening along the coast as the current wet systems are moving through. It is an unusual weather pattern, as your previous enquiry of Geoff Love indicated.

Senator BIRMINGHAM—What are the early indications from those reports?

Dr Reichelt—The first one was for the Fitzroy and the Keppel Island area. The flood peak was smaller than the last large one in 1991 but the volume is expected to be larger. The anecdotal reports I am getting this week are that the plume is not reaching as far out to sea as the plume for the 1991 flood did. I would be very surprised if there is not damage to corals from this current round of floods through freshwater plumes. I think we will see corals being affected. That is not good news for the area because in the last three years there has been a bleaching event there and an unusual event where it was fresh water but from a storm dump at sea on a low tide, which affected the corals as well. So it is an area in which its biology tells you that it has been subject to occasional flooding over its history. It has adapted to the disturbance but, when we see the corals damaged, people worry that they will not bounce back. The secretary has already mentioned that the main effort in managing the Great Barrier Reef is doing what we can to build the resilience of the system.

Senator BIRMINGHAM—And this particular patch has already suffered bleaching in the last few years—

Dr Reichelt—Two years ago.

Senator BIRMINGHAM—and is about to suffer from the inundation of the freshwater storm waters.

Dr Reichelt—Yes, we are going to see a setback in that area. The people who know the area very well seem more upbeat or more optimistic about this particular event I think because the plumes are not going quite as far as they did before.

Senator BIRMINGHAM—Is there historical precedence for this type of flood movement up there?

Dr Reichelt—Yes, there is. The flood records for the reef, based on the coral cores, date back about 1,000 years. There are periods of long dry and then extreme wets. I cannot recall

the data which shows that it is a long while since we have had all of the systems in the wet tropics and what we call the dry tropics flooding at once.

Senator BIRMINGHAM—Going back to the reef rescue plan, part of that is the water quality grants scheme. When will that come on line?

Mr Borthwick—These are arrangements that start to apply from the next financial year. They are subject to budget considerations and negotiation and discussions with Queensland and various community groups, so it is really from the next financial year.

Senator IAN MACDONALD—Is this going to be new money? You would be able to tell us that there are already considerable funds allocated through NRM programs for water quality schemes, reef partnership schemes, research and development schemes and marine and tropical research. There is money for all of those things in one way or another. Is this new program, announced by Mr Rudd prior to the election, in addition to all existing funds or are we going to see a bit of smoke and mirrors in taking it back, rebadging it and announcing it at the budget as a massive new initiative?

Mr Borthwick—I have not got the breakdown of what money was spent on the reef water quality improvement program. You might recall that there was an agreement between the previous Prime Minister and the Queensland Premier focusing on reef water quality with about 70-odd actions. A feature of that program was that it had very little funding directed towards it. This is basically \$200 million over five years and it is focusing on what the government thinks is clearly a national priority area which is subject to a number of threats. So this is money that otherwise was not being devoted to it.

Senator IAN MACDONALD—That does not accord with my recollection. There has been an enormous amount of money spent on reef water quality and reef lagoon programs over the last three or four years.

Mr Borthwick—There has indeed, but I would have to take it on notice as to exactly what money has been spent this financial year and the difference between that and what will be spent over the next five years.

Senator IAN MACDONALD—Could you take on notice what has been spent in the last two financial years on all of the programs that are similar to what is being promised now. I would like you to do that before the budget so that you do not get involved in the smoke and mirrors change of names game that I am sure is going to happen, and which Senator Wong has already indicated will be happening in her strange answer to my question in the parliament last week. Could you take that on notice and give me a list of all of those programs.

Mr Borthwick—Yes.

Senator IAN MACDONALD—If we could have it by 10 April, that would be a good time because then we would have that well in advance of the budget. On that same thing, Dr Reichelt—and public congratulations on your appointment: was GBRMPA part of the approach by AgForce and Queensland Farmers' Federation and cane growers for this particular program? Were you part of that or just on the sides?

Dr Reichelt—No, the authority was not part of that process that was essentially lobbying prior to the election.

Senator IAN MACDONALD—You would have been aware of what was being sought.

Dr Reichelt—I had heard talk of it but I was not familiar with it.

Senator IAN MACDONALD—I think, from memory, something like \$300 million or \$400 million was being sought and the Labor Party, to its credit, have come good with half of that. Do you recall what actual amount was being sought to do the job properly?

Senator Wong—Through you Madam Chair, as I understand Dr Reichelt's answer, he indicated he was not a party to those discussions. Is the senator simply asking this officer to indicate his view based on what he might have read from the media? In which case, perhaps the senator could go and read the media reports himself.

Senator IAN MACDONALD—I am sorry; I am having great difficulty in hearing you, Senator. Could you just repeat the last bit of—

Senator Wong—I think Dr Reichelt indicated that he was not party to those discussions. I am not sure of the context in which therefore you can continue to ask him questions about that.

Senator IAN MACDONALD—Yes, okay.

CHAIR—Senator Macdonald, I am conscious that we are about to go to a tea break. Do you want to hold fire on that question until after the tea break?

Senator IAN MACDONALD—There are other questions that we have of GBRMPA but, yes. Thank you, Madam Chair.

Proceedings suspended from 10.44 am to 11.07 am

CHAIR—We will recommence proceedings and continue with questions to the Great Barrier Reef Marine Park Authority. Senator Macdonald, you were asking questions before we went to the break.

Senator IAN MACDONALD—I think we were discussing the new program, but I thought Senator Birmingham had some questions he wanted to pursue.

Senator BIRMINGHAM—I want to return, Mr Borthwick, to an earlier answer you gave about the funding for Labor's reef rescue plan. You indicated that it is still a matter of budget discussions and did not provide a response to Senator Macdonald on where that funding would come from. Does that mean that it is not necessarily going to be as outlined in Labor's policy plan where the funding comes straight from the Natural Heritage Trust?

Mr Borthwick—Yes, it is envisaged that it would be within the envelope of the Natural Heritage Trust.

Senator BIRMINGHAM—Senator Macdonald asked whether this would be new money for the environment. So it is not going to be new money for the environment; it would be administered funds from the Natural Heritage Trust shifted to be administered funds for GBRMPA?

Mr Borthwick—Perhaps I misinterpreted the gist of Senator Macdonald's question. I interpreted it as to whether this was new money going towards rescuing the reef. This has been highlighted as a priority under the NHT. I said that I will come back, on notice, about the

difference between this \$200 million on five years and the money that was spent in the last financial year on reef rescue.

Senator BIRMINGHAM—The additional funds for the reef are welcome but the fact is that it is a shift from the NHT. Perhaps you could also outline what funds have been provided under NHT or elsewhere for the reef over recent years.

Mr Borthwick—That was clearly what I undertook to do for Senator Macdonald.

Senator BIRMINGHAM—So it will not just be GBRMPA funds; it will be total funds expended on the reef?

Mr Borthwick—Indeed.

Senator BIRMINGHAM—We can then make a full comparison.

Senator IAN MACDONALD—Further on that, and perhaps this question should go to the minister rather than to Mr Borthwick: this \$200 million funding, which was announced by Mr Rudd with great gusto and which has been talked about since, is, according to your own documents, simply a rebadging, as I suggested before, of existing programs. Using Mr Rudd's document, we see that the Water Quality Grants Scheme will go up \$29 million; the Reef Partnerships Program will go up \$2 million; the Land and Sea Country Indigenous Partnerships Program will go up \$2 million and so on to a total of \$40 million. But then, underneath that, the Natural Heritage Trust reduces by \$40 million in the year to 2008-09, and so the \$200 million new program is simply illusory and a rebadging of what was already in place. Is that correct?

Senator Wong—I will see if there is an officer who can assist you.

Mr Borthwick—It does come from the envelope which was the NHT and the NAP, but it is a redirection of those funds towards the reef. To that extent it will be an increase in expenditure on reef matters, and I have undertaken to give you the difference between this \$200 million over five years and what was spent, for example, under the NHT on the reef this current financial year. But it is a redirection of priorities.

Senator IAN MACDONALD—So what is going to be cut out of the NHT to fund this?

Mr Borthwick—These are matters that are subject to budget consideration.

Senator IAN MACDONALD—So there is bad news in store for someone if this is a redirection. I would be interested to see the results of your assessment because—I am not terribly well-informed, but from recollection—a lot of this was already being spent. If it is not just a rebadging but a redirection, then some people are going to be very disappointed—some people who were expecting money out of the NHT.

Mr Borthwick—It was very clear in the government's commitment that it was to be a redirection of the NHT towards this area which the government specified was a national priority. But, as to what the implications are of that redirection, that is subject to budget consideration and further announcement.

Senator IAN MACDONALD—Thank you. Your assessment was a clear indication of the then opposition. I do not agree with that. That is not how the media treated it, I might say. The

media treated it as new spending on the reef. But, anyhow, that is only semantics and it is not really your responsibility, I guess.

Mr Borthwick—Most of this will be additional spending on the reef. But, as to the net effect, I have undertaken to look at it with a view to providing you with that information.

Senator IAN MACDONALD—I cannot wait for budget night to see what has been slashed from the NHT opponents. Who was moaning down there? Probably it will come from Western Australia or the Northern Territory. So that will be interesting. I am pleased that it is being spent in Queensland but I look forward to that with a great deal of interest.

Senator WEBBER—I have every confidence in the new government looking after my home state, Senator Macdonald.

Senator IAN MACDONALD—Hopefully not in the NHT, because you have just lost \$40 million somewhere.

Senator WEBBER—I have not; it is just going to be spent on the new government's priorities.

Senator BIRMINGHAM—Who will administer the Water Quality Grants Scheme? Will it be the department or GBRMPA?

Mr Borthwick—It will be the department working with the Great Barrier Reef Marine Park Authority. The money will be appropriated to the department though some aspects of it might be delivered through the authority. But those details are to be worked out.

Senator BIRMINGHAM—Has any engagement or consultation begun with natural resource management groups in Northern Queensland?

Mr Borthwick—No, not at this stage.

Senator BIRMINGHAM—When would you expect the first grants to be publicly called for?

Mr Borthwick—I indicated that the first round of funding under aspects of this program should be next financial year.

Senator BIRMINGHAM—And do you expect that to be early next financial year? Is preparatory work underway in the department to see it in the second half of this year?

Mr Borthwick—Clearly, preparatory work is underway in the department but you will have to wait for announcements in due course.

Senator BIRMINGHAM—What did the authority spend during 2006-07 on the Community Partnerships Group?

Dr Reichelt—Sorry, I do not have those precise figures with me. I have our total budget effects. Can I take that question on notice and report to you?

Senator BIRMINGHAM—Sure; that is fine. I understand that the government has a commitment of \$12 million over five years to increase this program. Is that correct?

Dr Reichelt—That quantum sounds right to me.

Senator Wong—Senator Birmingham, were you referring to the reef partnerships program?

Senator BIRMINGHAM—Yes, sorry.

Senator Wong—You used the phrase ‘community partnerships’. I think that confused people.

Senator BIRMINGHAM—Sorry. I just realised that I read different pages myself.

Dr Reichelt—I misunderstood. We have a program within the authority called the Community Partnerships program and it is through our regional offices. I was reporting about that. The Healthy Reefs Partnership Program is a joint program with Queensland. I apologise, I will have to get back to you on that one, but at least I understand the question now.

Senator IAN MACDONALD—Reef partnerships is only \$2.4 million under the election policy. Is that right?

Mr Borthwick—It is \$12 million over five years.

Senator IAN MACDONALD—That is \$2.4 million, plus \$2.4 million, plus \$2.4 million, making a total of \$7.2 million for the next three years.

Senator Wong—The election commitment, as the secretary has indicated, is \$12 million over five years.

Senator IAN MACDONALD—I am reading from your election blurb, Minister, which, as I said, states that over the next three years it is \$2.4 million, plus \$2.4 million, plus \$2.4 million.

Senator Wong—I do not have the document in front of me, Senator Macdonald, but I presume you are referring to a forward estimates indication of funding. As the secretary has indicated, the election commitment is \$12 million over five years.

Senator IAN MACDONALD—Senator Birmingham’s question was: what did the Community Partnerships Group propose to spend? That will still be spent, will it?

Senator Wong—Perhaps you could be clear which program you asking about. Senator Birmingham originally asked about the Community Partnerships program. I understood he then corrected himself to indicate to Dr Reichelt that he was asking about the reef partnerships program, which is a program under the \$200 million election policy announcement. So in relation to which program is this question now directed?

Senator IAN MACDONALD—I am talking about the current Community Partnerships program. Will that continue and be added to by the reef partnerships program?

Dr Reichelt—If I could clarify: they are two quite different things. Yes, the Community Partnerships program will continue. That represents our means of engaging with Rockhampton, Mackay, Cairns and Townsville. I expect that to continue. The other program, the reef partnership program, is subject to the discussions under the Reef Rescue Plan, and that is a quite separate set of priorities and funding and relates to water quality.

Senator IAN MACDONALD—The very good schools program comes out of the Community Partnerships program at the moment, doesn’t it?

Dr Reichelt—We fund it under our education program, the Reef Guardians Schools program. It is a good program, I think.

Senator IAN MACDONALD—So it is not under community partnerships; it is under education.

Dr Reichelt—That is correct.

Senator BIRMINGHAM—In ballpark terms, is the current funding for the reef partnerships program half a million dollars or \$1 million? Do you have any idea you can give us?

Senator Wong—Which program are you referring to now?

Senator BIRMINGHAM—The reef partnerships program.

Senator Wong—This is the election commitment?

Senator BIRMINGHAM—No, the current funding.

Senator WONG—That is community partnerships.

Senator BIRMINGHAM—I understand that no reef partnerships program currently exists.

Dr Reichelt—Could I explain. That funding would fit into what the spend is in the Water Quality program now, which I think will be fully reported in the feedback you have requested from the secretary. It is a joint program with Queensland. The details of the \$12 million commitment are yet to be worked out. But if you are asking what has been spent in related water work previously, I think that would form part of the secretary's question on notice. Does that clear it up?

Senator BIRMINGHAM—Sort of. Given the overlap of programs we have had questions about, can I be clear: is there currently a reef partnerships program?

Dr Reichelt—Not exactly by that name. There is an activity called the reef partnership, which is essentially a relationship with Queensland. That is where I am not sure how much Commonwealth funding has been spent. I think we would have to report back on notice.

Senator BIRMINGHAM—There is some existing activity that you would expect to build the reef partnerships program in Labor's policy document on top of. Is that correct?

Senator Wong—In relation to pre-existing funding, the secretary is taking on notice the aspects of current and past funding that could reasonably be explained as being expenditure on the reef. Is that correct, Secretary Borthwick?

Mr Borthwick—Yes.

Senator Wong—So that matter has been taken on notice. In relation to the election commitment of \$200 million, as the secretary has indicated, decisions about the allocation and structure of that are matters for the budget process.

Senator BIRMINGHAM—Okay. Can we have an assurance that the \$12 million over five years for the reef partnerships program will be in addition to any other current community partnership-type programs operated by GBRMPA?

Senator Wong—The government will be meeting its election commitments.

Senator BIRMINGHAM—I am looking to make sure that we do not see that election commitment is another episode of smoke and mirrors, where \$12 million goes into a newly named program whilst another couple of programs cop the axe.

Senator IAN MACDONALD—Similar programs cop the axe.

Senator Wong—I can recall being at these estimates and other estimates on many occasions under the previous government, Senator Birmingham, where you rephased funding and rebadged it.

Senator IAN MACDONALD—But you are the new fair, accountable, open government. You would not do that!

Senator Wong—This is a \$200 million election policy. The department has indicated that there are decisions in relation to that election policy which are subject to budget considerations. In relation to past funding, the department has taken on notice your request.

Senator BIRMINGHAM—Minister, I did not sit through as many estimates committees of the former government as you. I am here now with you, the new government who are promising wondrous new levels of transparency and accountability, and my simple question is will the \$12 million be in addition to existing programs and activities of GBRMPA? Will it be a new commitment on top of existing community outreach, partnership—whatever they are called—programs that are currently operated by the authority?

Senator Wong—Those matters are subject to budget consideration.

Senator IAN MACDONALD—So it may not be new money.

Senator Wong—Those matters are subject to budget consideration and the government will be meeting its election commitments.

Senator BIRMINGHAM—So we have no commitment here that this will be new or additional money.

Senator Wong—All I can say, Senator Birmingham—and I am not sure that the now opposition put out something like this in relation to the Great Barrier Reef during the election campaign—is that we take our election commitment seriously. The Prime Minister has made that clear. The government will be meeting its election commitments. You have asked a number of questions. The department has taken them on notice and will respond in due course.

Senator IAN MACDONALD—But it should be very easy for you, Minister, to assure the Australian public that your new commitment for the Great Barrier Reef is actually new rather than just a rebadging of money. That does not require a budget commitment to do that. You either say, ‘Yes it is new money,’ or you say, ‘No, it is just smoke and mirrors and we fooled the Australian public by giving it a new name.’ With the open, accountable, honest government that you are lauding, I am sure the latter is not the case. All we need is an assurance from you that the new program will be new money and not a rebadging of old money.

Senator Wong—As I have said, the government will meet its election commitments. A number of the matters you have raised, Senator Birmingham and Senator Macdonald, go to the budget process. Those decisions will be made and announced in due course. You have also asked for information relating to past funding and the secretary has taken that on notice.

Senator BIRMINGHAM—With that unsatisfactory position, we will move on. What work has been undertaken so far with the Queensland government towards the implementation of this plan?

Mr Borthwick—No work has been undertaken yet because it needs to be subjected to budget consideration by the current government.

Senator BIRMINGHAM—I do not pretend to have great experience in GBRMPA workings, but I get the impression that a number of your projects are jointly funded by the Queensland government.

Dr Reichelt—That is correct.

Senator BIRMINGHAM—Is funding expected from the Queensland government to support the \$200 million plan?

Mr Borthwick—There is a secretariat that is based in Queensland, which works on the 70-odd-point plan that was agreed between former Prime Minister Howard and former Premier Beattie. The only discussion that has happened with Queensland is that I have informed their premier's department that the future shape of this reef rescue plan is subject to Commonwealth budget considerations and, as soon as that is bedded down, we will initiate discussions with them. But beyond that there has not been any working through of this \$200 million election undertaking with Queensland.

Senator BIRMINGHAM—I do find it strange that Senator Wong gives us the assurance that the government's election commitments will be implemented—whether they are implemented at the expense of other programs remains to be seen—but that we then hear that all these programs are in the shape of budget considerations. If the government has given the assurance that they will be implemented, I would have thought we could be progressing their implementation without needing to be waiting too much in the budget considerations context.

Mr Borthwick—I clearly indicated that work was going on in-house. The government has a clear direction to reshape the NHT towards a more national focus in terms of environmental priorities. That is being worked through. It will be subject to Cabinet deliberation and subsequent announcement. But I think, as the minister indicated, the intention will be to deliver the various elements of this \$200 million Great Barrier Reef rescue plan.

Senator BIRMINGHAM—How will the success of the Reef Water Quality Research and Development Program be measured?

Mr Borthwick—There is clearly an aspect of this program which goes to water quality monitoring and reporting. One of the priorities of this program is to make sure that it is actually making a difference on the ground. But that is an aspect of this program which will have to be further developed.

Senator BIRMINGHAM—When would we expect the first report card on the reef to be developed and published?

Mr Borthwick—The expectation is that there will be a Great Barrier Reef water quality report card and that that will be an annual publication but exactly what form it will take and what the indicators will be are things that we will need to work through carefully with the Great Barrier Reef Marine Park Authority in Queensland and most likely other bodies up in Queensland like the catchment management authorities and the like.

Senator BIRMINGHAM—An annual publication that is expected to commence when?

Mr Borthwick—I think we need to work through exactly what data there is and what the baseline data is and whether it fits the purpose of this expanded program, but at this stage a decision has not been taken on when that first annual report will be made.

Senator BIRMINGHAM—Obviously the desire is for it to be at the earliest opportunity.

Mr Borthwick—The desire would be for it to be at the end of the 2008-09 financial year.

Senator BIRMINGHAM—And will the success criteria that you mentioned before that are still being worked on and need to be developed for the R&D program be made public?

Mr Borthwick—That would be our intention, yes. But it would be very much looking at the nutrient loads and whether or not we can reduce them in the short, medium and longer term.

Senator BIRMINGHAM—I understand that the authority has a linkage or a relationship with the Marine and Tropical Sciences Research Facility?

Dr Reichelt—That is correct.

Senator BIRMINGHAM—And is that a financial relationship?

Dr Reichelt—The current relationship is that we carry the chair of their scientific steering consultative process. The marine park authority chairs their reef committee. That facility deals with rainforests and reef and catchment. We are closely involved in setting priorities and we are looking at cooperative arrangements with that facility, which is administered through the department, to see where we can align our research efforts with the Marine and Tropical Sciences Research Facility's efforts. We both work on matters relating to the reef and are looking to get the best synergy between them.

Senator BIRMINGHAM—So that facility is funded through the department?

Mr Borthwick—Yes, it is.

Senator BIRMINGHAM—And that funding is expected to continue?

Mr Borthwick—Yes, it is.

Senator IAN MACDONALD—Could I just ascertain how GBRMPA now works. I understand that there was a slight change of procedure and reporting with the change of chairman. I think this question is probably more for Mr Borthwick.

Mr Borthwick—There has not been any change consequent on the change from Ms Chadwick to Dr Reichelt.

Senator IAN MACDONALD—So is Dr Reichelt both CEO and chairman of the board?

Mr Borthwick—Yes, he is. There is no change in those arrangements.

Senator IAN MACDONALD—What happened to those proposed changes?

Mr Borthwick—It was proposed in the legislation the former government introduced that the person occupying that position be both the chair and the CEO.

Senator IAN MACDONALD—It was proposed? Weren't they going to be split?

Mr Borthwick—No.

Senator IAN MACDONALD—Didn't you tell us at the last estimates that they were going to be split?

Mr Borthwick—No, there has never been a proposal on the table that they be split. I chaired the previous review, and it was a matter which some people suggested should occur, but the review found that that role should remain as is.

Senator IAN MACDONALD—So the arrangements have continued?

Mr Borthwick—Yes.

Senator IAN MACDONALD—Are the same personnel on the board?

Mr Borthwick—Yes. The board is to be expertise based but with a Queensland representative who happens to be the head of the Queensland Premier's department, and the board was expanded by one or two, I think—a further one, I gather. But the arrangements that applied before continued.

Senator IAN MACDONALD—So the board has increased in size?

Dr Reichelt—Yes.

Mr Borthwick—Yes.

Dr Reichelt—Under the legislative change in July, it was increased by one, and I believe there are currently two vacancies.

Senator IAN MACDONALD—There are two vacancies?

Dr Reichelt—Yes.

Senator Wong—These are changes that were put up under the previous government, Senator Macdonald.

Senator IAN MACDONALD—Yes, I indicated before, Minister, that these were not questions for you; they were questions for Mr Borthwick about the earlier part of the estimates that we are now assessing.

Senator Wong—I should be clear: I understand that the then opposition supported them, Senator Macdonald.

Senator IAN MACDONALD—Okay, then it is your fault if anything goes wrong!

Senator Wong—I think the proposition is that it is the fault of all of us!

Senator IAN MACDONALD—Because we know that, if anything goes wrong, the buck stops with Kevin. Mr Borthwick, the authority of the authority remains as it always has been?

Mr Borthwick—Yes, it does.

Senator IAN MACDONALD—The department does not have a greater influence in the work of the authority than it did previously?

Mr Borthwick—No, it does not.

Senator IAN MACDONALD—So everything is exactly the same, except that the board has been increased in size?

Mr Borthwick—Except that it became an FMA Act agency rather than a CAC Act agency, but we have been over that in previous estimates.

Senator IAN MACDONALD—When did that happen?

Mr Borthwick—That happened as a result of the legislation introduced by the former government.

Senator IAN MACDONALD—I do not think we have had estimates since July, have we? When did the legislation take effect?

Mr Borthwick—July, I am told.

Senator IAN MACDONALD—Which year?

Mr Borthwick—Last year.

Senator IAN MACDONALD—I do not think we have had estimates since then, have we? I thought May was our last estimates.

Mr Borthwick—But we certainly have discussed the authority moving to becoming an FMA Act agency at previous estimates.

Senator IAN MACDONALD—That does give the department greater oversight, does it?

Mr Borthwick—No, it does not.

Senator IAN MACDONALD—Does it give it less oversight?

Mr Borthwick—The rationale was that if an agency, in this case the Great Barrier Reef Marine Park Authority, is performing a ‘public good’ activity as distinct from a commercial oriented activity—that is, it is not driven by a profit motive—then, as a matter of governance, it should come under the FMA Act. But, in terms of its reporting and how it affects the authority’s day-to-day operations, it does not have a—

Senator IAN MACDONALD—I do not want to carry this on, because it is a fait accompli, but what is the difference? Do not give me a technical answer, but what effectively is the difference on the ground in being under the FMA Act rather than the CAC Act?

Mr Borthwick—There are different aspects, but under the CAC Act you would expect the board to appoint the head of the authority and you would expect the CEO and the chair position to be separate, with the CEO and perhaps other senior officers subject to board appointment. That was held not to be appropriate in this instance, where it is a public-good activity that the authority is performing.

Senator IAN MACDONALD—You are not suggesting to me that the head was ever appointed by anyone else other than the government?

Mr Borthwick—No, it was not, but there was, across a number of authorities—let me put it this way—some sort of uncertainty as to the nature of it, and the former government decided to clearly draw distinctions between those that should be CAC Act authorities and those that should be FMA Act authorities. This authority naturally and quite rightfully was not commercial in its operation.

Senator BIRMINGHAM—Very quickly returning to the issue of the report cards on the reef: when will the base reporting year be? Will it be the first year of the report card or will you, for different statistics, be looking to cast back historical data?

Mr Borthwick—Clearly we would like to report on the state of it now, so where there is good information we will use that as the baseline information. Where we need to collect additional information, we will add to that, but clearly we will not be starting with 2008-09 as the baseline. If there is good data, we will report on that.

CHAIR—As there are no further questions, we thank the officers of the Great Barrier Reef Marine Park Authority for appearing.

[11.37 am]

Department of the Environment, Water, Heritage and the Arts

CHAIR—I now call the department. I note the committee has agreed to examine the department by output. We will begin with general questions to the department and then we will move to output 1.1. Before we begin with the general questions, I invite the secretary of the department to outline major topics that are dealt with under each output to facilitate questioning by senators.

Mr Borthwick—We have a situation here where there are a number of activities, a number of divisions, that fall under each output. I might need to give further guidance when the committee comes to various things, but under ‘Response to climate change’ we would be looking at issues of energy efficiency and adaptation to climate change, and that would cover our Industry, Communities and Energy Division; Parks; Heritage; and possibly some aspects of the Natural Resource Management Programs Division.

Senator SIEWERT—Can I just clarify: are we going to be able to do NHT and NRM as a whole under that area or are we going to have to jump between outputs?

Mr Borthwick—If you are doing it this way, I think it is a bit confusing, quite frankly, but the committee have informed us that they want to do it that way. If you want to ask about the NHT, it would be best to look at those issues, I think, under output 1.2, ‘Conservation of the land and inland waters’. Might I suggest that you look at the NHT and Parks types of issues under that heading. Under ‘Conservation of the coasts and oceans’ would be Marine and Biodiversity Division types of issues, and possibly also some Natural Resource Management Programs Division issues. Under output 1.4, ‘Conservation of natural, indigenous and historical heritage’, you would clearly be looking at Heritage Division activities.

Response to impacts on human settlements, output 1.5, includes issues concerning the Environment Quality Division like waste, oil, pollution and air quality and the Approvals and Wildlife Division, which covers the Environment Protection and Biodiversity Conservation Act. The Supervising Scientist would also be under output 1.5. But it is the case that a number

of these programs are crosscutting and different bits of divisions cut in and out of it. We will do our best to accommodate the wish of the committee and senators by bringing the right people to the table.

Senator SIEWERT—Will we deal with whaling under coasts and oceans?

Mr Borthwick—Yes, under coasts and oceans.

Senator SIEWERT—Thank you

CHAIR—We will now move to general questions of the department.

Senator BIRMINGHAM—What costs have been associated with the departmental reorganisation?

Mr Borthwick—There should be no net costs as a result of that in itself because the functions have just changed and the money has followed the functions.

Senator BIRMINGHAM—So there are no administrative costs?

Mr Borthwick—Every time you make machinery of government changes there is going to be a range of costs because departments have to move, be relocated and re-established, but those costs are absorbed within our overall budget. We have not come to an estimate of the implications of that. It would be too difficult to untangle those sorts of things.

Senator IAN MACDONALD—But if they are absorbed within your budget—and they will be considerable—it means you were grossly overfunded and perhaps the efficiency dividend is appropriate.

Mr Borthwick—No, basically the functions change and the staff follow functions. From that point of view it should not have extra costs. But at the margin, for example, our name has changed which means changing the internet site and changes of that ilk.

Senator IAN MACDONALD—Exactly. You said new accommodation or less accommodation perhaps in your department.

Mr Borthwick—But this is a normal feature of government and the arrangements that have applied in this instance have followed exactly the approach that has been followed by successive governments.

Senator IAN MACDONALD—I can recall Senator Faulkner asking ad infinitum about the costs of changing a letterhead. Other departments seem to have no trouble getting those additional costs. It would be interesting if you could try to give us a ballpark figure on what the changes might have cost the Australian public.

Mr Borthwick—I would have to take that on advice.

Senator IAN MACDONALD—Of course.

Mr Borthwick—My inclination is to say that I will advise my minister on whether or not I think that is a sensible use of the department's resources—getting to that level of detail.

Senator BIRMINGHAM—What number of staff were reassigned from this department to the Department of Climate Change?

Mr Borthwick—The exact numbers are still being worked out. These are subject to final determinations that are to be made by, I think, the Public Service Commission in consultation with the Department of Finance and Deregulation.

The reason it takes a little while to figure out is that it is not just, say, the climate change staff who go to the new Department of Climate Change; it will also involve a proportion of our general corporate and overhead staff. Similarly, with the arts and cultural functions coming into the department, that fine detail is still being worked through. Until that is worked through, there will not be a final determination. The actual policy and program staff have shifted, but that does not account for all the shifts that will end up occurring.

Senator BIRMINGHAM—Could you take that detail on notice?

Mr Borthwick—As soon as the determination has been made, that information in terms of the dollars and staff numbers that shift will be publicly available.

Senator BIRMINGHAM—The staff who have been reallocated, are they still working in their old offices?

Mr Borthwick—Yes, they are in terms of the Department of Climate Change, but they are in the process of relocating to 2 Constitution Avenue, and that will progressively happen in coming weeks and months.

Senator IAN MACDONALD—Where are they going?

Mr Borthwick—2 Constitution Avenue.

Senator IAN MACDONALD—Does the building have a name?

Mr Borthwick—That is its name. It was formerly inhabited by the Australian Taxation Office.

Senator IAN MACDONALD—Is it owned by the ACT government?

Mr Borthwick—I do not know who the owner is.

Senator IAN MACDONALD—Is it owned by the Curtin Foundation or the Centenary House group?

Mr Borthwick—I have no idea who owns the building.

Senator BIRMINGHAM—So those staff are being relocated to new premises, presumably with other staff from other agencies who are being redistributed into the Department of Climate Change ?

Mr Borthwick—Yes. The reason I know this is that some of my own staff will be collocated in that area. In terms of the details as they relate to the Department of Climate Change, you will need to ask them.

Senator BIRMINGHAM—Will some of the department of environment staff be collocated with the Department of Climate Change staff in the new building? I am assuming they are staff who broadly deal with areas of Senator Wong's responsibility versus Mr Garrett's responsibility.

Mr Borthwick—No, they are staff who deal with Mr Garrett's responsibility. Let me give you an example. The 2 Constitution Avenue property was a pre-existing lease that my

department was going to have prior to this change of responsibilities and areas of the department were going to move out into that space irrespective of this change. That is being carried through now. It is not as a consequence of this change.

Senator IAN MACDONALD—Why was that?

Mr Borthwick—We had run out of room. Two years ago, we were in two buildings. We are currently in 13. This was a change that was already on the books.

Senator IAN MACDONALD—So your staff have expanded considerably in the last couple of years.

Mr Borthwick—Yes, they have.

Senator IAN MACDONALD—Are you part of the target the government announced to cut the public service in Canberra?

Mr Borthwick—No. Our departmental staff numbers are expanding.

Senator IAN MACDONALD—Why is that?

Mr Borthwick—The increase in the water functions was a primary reason for that, when those activities came to the department from the former Prime Minister's department and the Department of Agriculture, Fisheries and Forestry in January of last year. It was also the consequence of the previous government's decisions to increase budget allocations—for example, in the administration of the Environment Protection and Biodiversity Conservation Act. More recently, the arts functions have come to the department—in the rough order of about 350 staff—but those details are yet to be finally worked out.

Senator IAN MACDONALD—Is that 350 in the arts area? That is an outrageous blow-out under the previous government!

Mr Borthwick—Yes, they more than outweigh the staff that are going to form the Department of Climate Change. We are an expanding area of government activity.

Senator IAN MACDONALD—So there are more employed in the arts than in climate change?

Mr Borthwick—You will have to ask the Department of Climate Change questions about their staff numbers currently and what they envisage. But there is an important caveat to it. I had two divisions working on climate change. One of them has essentially gone as part of the new Department of Climate Change and I still have a division working on climate change programs and delivery. Equally, a number of other government departments have activities devoted to climate change. The difference is that overall policy coordination is managed in the Department of Climate Change and they have a broader role in coordinating whole-of-government activities, a large part of which remains in my department, which works to Minister Garrett.

Senator IAN MACDONALD—You are the doing department; the other one is the thinking department?

Mr Borthwick—Not universally, but that is essentially right. We have the program delivery aspect where it goes to communities and energy efficiency aspects. It is the Department of Resources, Energy and Tourism where it goes to industry energy related issues.

Similarly, the transport and the agriculture departments where it goes to matters in their portfolio responsibilities. The whole-of-government coordination effort is being undertaken by the Department of Climate Change located in the Prime Minister's portfolio.

Senator ALLISON—Where does the Australian Greenhouse Office fit with this new structure?

Mr Borthwick—The Australian Greenhouse Office was essentially split with half of it staying in my department—the doing part, by and large, though not completely; there are some exceptions—and the policy development part, the science part, the climate change adaptation part moving to the Department of Climate Change. But the programs part, in terms of Solar Cities and all those aspects remain in my department.

Senator ALLISON—Does the part of the AGO which went to the Department of Climate Change make up the whole of the climate change department or were other persons drawn from elsewhere?

Mr Borthwick—No, officers were also drawn from the Department of Foreign Affairs and Trade and PM&C.

Senator ALLISON—What is the budget for that department?

Senator Wong—We will be appearing on Friday, and those questions should probably be addressed to that portfolio. I do not have officers at the table from the Department of Climate Change.

Mr Borthwick—These numbers, including the staffing numbers, are yet to be finally pinned down. To give you a rough idea of the split of the former AGO, about 180 officers went to the Department of Climate Change and about 140 remain in my department. That is the rough order of magnitude.

Senator BIRMINGHAM—To try to get a grip on these responsibilities, looking at the outputs, does 1.1, response to climate change, cover the energy efficiency programs and Minister Garrett's responsibility?

Mr Borthwick—Yes. There are no climate change activities within the department of environment that are Minister Wong's responsibility.

Senator Wong—But it would depend on what you define as climate change activities. One could say much of the water function is related also to climate change, given the significance of the effect of current and projected climate change patterns of water availability in Australia. That is my first caveat. Clearly, there is a distinction. As I have referred you to previously, it is set out in the administrative arrangement orders. Essentially, the Department of Climate Change is more focused on development and coordination of both domestic and international climate change policy, international climate change negotiations, the design and implementation of the emissions trading scheme, mandatory renewable energy target policy regulation and coordination, greenhouse emissions, energy consumption reporting, climate change adaptation strategy and coordination, and coordination of climate change science activity. I am reading from AAOs. That does not preclude a range of programs across government, a number of which are within Minister Garrett's portfolio but, as the secretary has also indicated, there are activities and programs within Minister Ferguson's portfolio,

which clearly also have a climate change dimension. Output 1.1 is within Minister Garrett's portfolio. I just confirm that.

Mr Borthwick—And in addition to those energy efficiency community delivery aspects, under that heading we would include areas like adaptation of the natural environment and the possibilities of climate change, how climate change might impact on World Heritage properties and the like. There are a number of quite disparate activities that we would include under that output group.

Senator BIRMINGHAM—Under output 1.2, Conservation of the land and inland waters, I am assuming that conservation of land is Minister Garrett's area and conservation of inland waters is partially the minister for water's, but do we have the same delineation on water issues where Minister Wong is responsible for broad policy and Minister Garrett for programs, or does Minister Wong take all of water there?

Mr Borthwick—No, this is a little different. Water matters are clearly Minister Wong's responsibility and are under outcome 3. Let me give you an example of how inland waters can affect Minister Garrett's responsibility. If there was a development affecting a RAMSAR site that triggered the operation of the Environment Protection and Biodiversity Conservation Act, that would be a matter for Minister Garrett. How that act operates would be a matter for Minister Wong, just as they would consult, say, on an industry matter, the industry minister. This inland waters function, under this function here, really relates primarily to the operation of the Environment Protection and Biodiversity Conservation Act.

Senator BIRMINGHAM—I will not go through every output and every outcome. I wish you luck, Mr Borthwick, in these arrangements.

Senator PARRY—Mr Borthwick, could I ask some questions about executive remuneration. How is it set?

Mr Borthwick—Under arrangements currently in place, AWAs will remain in place for the life of those AWAs and then they will not be renewed.

Senator PARRY—Who draft the AWAs? Who negotiates what each individual—

Mr Borthwick—The AWAs that are in place are an agreement between me and the particular officer concerned.

Senator PARRY—Do you rely on any external advice? Do you use the Rem Tribunal, for example?

Senator Wong—Just before the secretary answers that, the current government had very clear election commitments in relation to AWAs and those commitments also related to the public sector. You were not here, Senator Parry, when I indicated that a number of these questions might more appropriately be addressed to the department with responsibility for Australian Public Service matters, which would be, in my recollection, in the Deputy Prime Minister's portfolio, which I think appears on Thursday. In relation to the AWA questions, I think you should be very clear in your questions to the secretary whether or not you are referring to past practice. If your question is about what used to be done in relation to AWAs under your government, go right ahead. He has made it very clear what the arrangements are in relation to existing AWAs.

Senator PARRY—Thank you, Minister. Mr Borthwick, my question really was: how are the salary levels set? You are saying it is through the AWA process.

Mr Borthwick—No, not currently. Under the previous government there was a combination of AWAs and a certified agreement with staff. Under the incoming government, there will be no more AWAs, but the AWAs that are in place because they are a contractual arrangement will run for the term of the AWA.

Senator PARRY—How many are still on AWAs and how many through other arrangements?

Mr Borthwick—I have not got those numbers at hand, but basically all of the SES officers are on AWAs and overwhelmingly the majority of the levels immediately below the SES are on AWAs. Mr Anderson might be able to tell you about that.

Mr Anderson—We currently have about 800 non-SES AWAs and about 60 SES AWAs out of a workforce of about 2,600.

Senator PARRY—Just to clarify the 60 SES, they are regarded as the executive level?

Mr Anderson—Senior Executive Service, yes.

Senator PARRY—There were 51 at the end of 2006-07. There are 60 now.

Mr Anderson—We have brought in the arts function, so there are some senior executives coming across with that function.

Senator PARRY—Thank you. I just want to go back to the setting of the level of remuneration. How is that determined? Is it through any external advice?

Mr Borthwick—No, it was not. It was a matter for me to decide, having regard to the departmental budget. In terms of the certified agreement, it was subject to being signed off by the minister as being consistent with the parameters set by the government at the time. In terms of AWAs, they went under former arrangements to—what was that group called?

Mr Anderson—We draw on advice from Mercer. They do a remuneration survey that is commissioned by government.

Mr Borthwick—That is only one form of advice that I rely on. It is not guided by Mercer or anyone in particular.

Senator PARRY—Mr Borthwick, you said a moment ago that one of the parameters that you use is the budget that is allocated. So you have a global budget for executive staff and, to put it crudely, do you then divide it up to work out how many you can fit at a certain level? It just seems a little bit haphazard.

Mr Borthwick—No. I look at the priorities of the government of the day and allocate resources that are required to meet those priorities.

Senator PARRY—Do you benchmark? Do you say, ‘This person does this job and is worth this much in either the private sector or a comparable department’?

Mr Borthwick—As Mr Anderson indicated, we do have regard to benchmark data as one factor in setting pay scales. It also has regard to the performance of the officer concerned.

Senator KEMP—Just a quick question. I think you mentioned there were 600 non-SES AWAs and 60 SES AWAs and they were negotiated with you, Mr Borthwick. I have just been listening to what the government has said over the last year or so. Did you take advantage of the AWAs to slash employee conditions?

Mr Borthwick—No, we did not.

Senator KEMP—Oh, really?

Mr Borthwick—No.

Senator KEMP—Did you take advantage of them to actually improve employee conditions?

Mr Borthwick—Overwhelmingly those AWAs improved the remuneration over and above what was in the certified agreement.

Senator KEMP—Oh, right. So the actual workers involved and those who received them were perfectly happy to have them, were they?

Senator Wong—Senator Kemp, if you want to relitigate the issue which was well traversed at the last election about the popularity of Australian workplace agreements then be our guest.

Senator KEMP—Indeed it was.

Senator Wong—If you want to keep defending AWAs, please continue to do so. It will be a very popular position I am sure.

Senator KEMP—The permanent secretary has indicated that the conditions of the employees in your department were improved by the AWAs. That is extremely interesting, and I thank him for the evidence. What happens when they now come off the AWAs as a result of the new policy? What will be the arrangements in those cases? Will any special features that you were able to give some of your employees now be removed?

Mr Borthwick—There is the capacity to enter into specific contractual arrangements under the guidelines determined by the new government if there are particular circumstances that warrant that. Otherwise, they will go onto a certified agreement, which will be negotiated between us and the staff. The certified agreement is coming up for grabs in about two years time, in June 2009.

Senator KEMP—With these 600 or so arrangements, are there any special features that you could draw to our attention that were particularly attractive to employees and encouraged them to sign up to AWAs?

Mr Borthwick—I can only talk about it in general, not officer by officer, because there can be differences.

Senator KEMP—Sure.

Mr Borthwick—The overwhelming difference related to availability of performance pay.

Senator KEMP—Just to expand on that, performance pay was traded off? What did they do?

Mr Borthwick—No, if they went onto an AWA, they were eligible to receive additional remuneration as a result of assessments of their performance throughout the year.

Senator KEMP—So under the new system and certified agreement arrangements that many of them will be now put on, there will have to be a standard arrangement, I imagine, across the department.

Mr Borthwick—I do not think that is what the current government envisages. I think we are being given considerable flexibility in terms of the nature of the certified agreement that we might negotiate to come into effect from June 2009. Subject to any guidance that we might subsequently get, it would be my intention to introduce a considerable amount of flexibility so that we can remunerate people adequately to make sure.

Senator KEMP—In that case, I am most heartened to hear that the conditions that they were able to receive under the previous government may be protected.

Mr Borthwick—I did not put it in those terms.

Senator KEMP—So what is the essential difference?

Mr Borthwick—The essential difference is that the remuneration will be overwhelmingly based on a certified agreement negotiated with unions and/or staff as in the past.

Senator KEMP—We understand that the union has to come into that. But how does this actually play out with the individual employee?

Mr Borthwick—This is a matter we have not yet turned our minds to, because it is some way off in terms of the new certified agreement, and those arrangements will run.

Senator KEMP—Sure.

Mr Borthwick—But you can—the thought has crossed my mind, because we have to start planning for this—have considerable bands for flexibility within a certified agreement structure. I will be exploring them having regard to any guidance that emerges from the government over the coming months.

Senator PARRY—For the 51 executive employees paid during the year 2006-07, there was a total wage bill of \$10.9 million. The wages ranged from \$130,000 through to \$450,000 or thereabouts. In fact, only one was under \$160,000. You are probably aware of the Prime Minister's recent announcement of a wage freeze for parliamentarians, which is \$127,000 and above. I know you responded briefly to a question from Senator Macdonald, but have you had any indication or pressure from the minister to freeze wages within your department?

Mr Borthwick—No, we have not. I think you are getting that data from our annual report.

Senator PARRY—The annual report for 2006-07.

Mr Borthwick—You characterised it as wage information. I think it is total remuneration provisions. Some of those payments might relate to retirements in the year.

Senator PARRY—For example, an executive officer in the band \$445,000-\$459,000 would be a total package. You are saying some of those could be retirement packages.

Mr Borthwick—They could be. I cannot go into it because once you get to that level you are talking about individual officers.

Senator IAN MACDONALD—How many not on retirement packages would be in that band?

Mr Borthwick—Most of them are not retirement packages.

Mr Anderson—There may be one or two.

Mr Borthwick—My point was to illustrate that it is total remuneration, and I think it can be affected by payouts of things like annual leave and accumulated long service leave.

Senator PARRY—When we are talking about a retirement package, how much are we talking about for an officer to retire—let us say someone on about \$200,000?

Mr Borthwick—You can talk of considerable moneys falling within a year because it can be the bulk of their salary plus accumulated long service leave and annual pay.

Mr Anderson—It is not a retirement package in the sense of a redundancy payment; it is just their accumulated long service leave and other entitlements.

Senator PARRY—Minister, will you be putting any pressure on the department to freeze their wages in light of the Prime Minister's statement?

Senator Wong—Senator Parry, I think you were not in the room but I am sure this was traversed between me, Senator Macdonald and Senator Birmingham. The government has made its view clear. We intend to lead by example, hence the Prime Minister's announcement in relation to the wage restraint to be shown by the government and members of parliament. We recognise that this is a time when inflation poses a significant risk to Australia's economic outlook and we are determined to lead by example. In relation to the employment within the public service, as I have previously indicated to your colleagues, these are matters properly addressed to the Deputy Prime Minister's portfolio and they will be appearing on Thursday.

Senator PARRY—Would you agree that the Prime Minister has the authority to freeze all public service salaries? Do you feel it would be appropriate for you to recommend that to him?

Senator Wong—That is asking me for an opinion. I am very flattered that you are interested in my opinion but, as I said to you, portfolio responsibility for public service matters falls primarily within the Deputy Prime Minister's portfolio. You should address those questions on Thursday to that portfolio.

Senator PARRY—So you do not have a view about whether you should recommend a freeze for your department.

Senator Wong—My view is the view of the government, which is that government ministers and members of parliament should show restraint and the government has made an announcement to that effect.

Senator IAN MACDONALD—Minister, your salary has gone up by double in the last six months.

Senator Wong—Senator Macdonald, if you are asking me whether or not you lost the election, the answer is yes.

Senator PARRY—That was not Senator Macdonald's question.

Senator IAN MACDONALD—Your restraint in receiving double your salary is commendable, Minister.

Mr Borthwick—I think there needs to be an aspect of clarification. The salary arrangements for APS staff are subject to a certified agreement. As we have discussed, AWAs are not subject to determination by a remuneration tribunal. In other words, there is a contractual arrangement and the pay increases that are built into those contracts are basically fixed for the life of those agreements.

Senator PARRY—Thank you, Mr Borthwick.

Senator ABETZ—Can I just ask you to take this question on notice please: in all the variety of packages of remuneration that undoubtedly exist in the department, how many have a salary component of \$127,000 and above—so we are under no confusion?

Mr Borthwick—A salary component?

Senator ABETZ—Yes, of \$127,000 and above.

Mr Borthwick—We will take that on notice.

Senator ABETZ—That would be a helpful figure.

Senator IAN MACDONALD—Just while we are on staffing, how many DLOs have you provided to Minister Wong?

Mr Borthwick—Two, I believe.

Mr Anderson—There is one from each department. One from this department and one from climate change.

Mr Borthwick—Oh, one from climate change. Sorry, it is two in total.

Senator IAN MACDONALD—So one out of your department. What sort of level is that person on?

Mr Anderson—I think the person is an EA6 or an executive level 1.

Senator IAN MACDONALD—What about Minister Garrett? How many DLOs?

Mr Anderson—I have allocated two.

Senator IAN MACDONALD—Is that it or have two been filled with more to come?

Mr Borthwick—No. The level of DLOs has been fixed at two per minister.

Senator IAN MACDONALD—Two per senior minister?

Mr Borthwick—For our ministers. I cannot advise you on other ministers.

Senator IAN MACDONALD—And the level of Mr Garrett's—what band are they?

Mr Anderson—It would be similar: EA6 or EL1—I just have to check the detail.

Senator IAN MACDONALD—Minister, do you have only one DLO from Climate Change?

Senator Wong—My understanding is that I have a DLO from Climate Change and a DLO from this department. You may recall that the government had an election commitment to reducing the numbers of personal staff.

Senator IAN MACDONALD—I guess it is not appropriate to ask you about your numbers of personal staff but we might do that in the other estimates.

Senator SIEWERT—I would like to move onto some specific environment questions around the budget. As much as I care for the staff, I really want to move onto the outcomes. I have been looking at where some of the decreases in the budget have been made. I do not know whether it is appropriate to ask here or in the specific items, so just tell me where it is best to ask them. There have been some significant changes made under the National Plan for Water Security. Where are those cuts being applied and why? What do they actually mean?

Senator Wong—Madam Chair, can I get some indication from the committee. That is, I think, at output 3, which is significantly beyond where we are now. We are happy to move to that, but it will mean we are jumping around. I am not sure whether all the officers from that output are present in the room.

Senator SIEWERT—I am happy to deal with them there. What I want to know is whether we are dealing with budget, because we have generally been dealing with budget around general issues. I am happy to deal with them there.

Senator Wong—We are in the committee's hands. The department has been advised that you sought to go to outputs 1.1, 1.2, 1.3, 1.4 and 1.5, and the secretary gave a brief indication of which divisions would broadly fall within those outputs and made the point that divisions did work across a range of outputs. We then would move to outcome 3. First would be the National Water Commission and then the department, where those questions in relation to programs under outputs 3.1 and 3.2 would generally be dealt with. If the committee wishes to change that agenda, that is obviously a matter for the committee.

Senator SIEWERT—It is fine to deal with it there, but can I clarify: are we dealing with that under the Water Commission and areas listed there or under output 1.2?

Mr Thompson—It belongs more under outcome 3.

Senator SIEWERT—So the whole area around the national water plan, all those sorts of things, will be dealt with—

Mr Borthwick—Under outcome 3.

Senator SIEWERT—This is why I was concerned this morning about the confusion, because it does also apply under outcome 1.2. Are we dealing with all water there, or just the Murray stuff?

Mr Borthwick—I think it is best if you deal with all water stuff under outcome 3. It would be a lot easier from our perspective but, if it related to, say, an EPBC matter affecting water, that would be outcome 1.2. However, if you want to come to water matters, we will make sure that we have all the relevant officers here.

Senator SIEWERT—My point is that this relates to budget.

Mr Borthwick—Yes, outcome 3.

Senator SIEWERT—I want to make sure that the officers in respect of finances are here for that outcome.

Mr Borthwick—They will be.

Senator SIEWERT—The other specific questions I have are around whaling and budgets and the hotspots program that has been cut and budgets. Do we deal with those under those outputs or are we dealing with them now in general questions?

Mr Borthwick—You should deal with whaling and budgets under 1.3 and hotspots and budgets under 1.2.

Senator SIEWERT—These are specific budget questions, so I want to make sure.

Senator Wong—When you say ‘budgets’, do you mean in terms of the additional estimates?

Mr Borthwick—In terms of the officers knowing exactly what has happened and why. They will be officers who are involved in the program detail.

Senator SIEWERT—I will also have lots of NHT questions around the budget as well.

CHAIR—Are there any other general questions for the department before we move to outputs?

Senator IAN MACDONALD—The Bureau of Meteorology indicated that some of their water people were going into the department.

Mr Borthwick—No. Part of the \$10 billion for the former government’s National Plan for Water Security was to establish a water measurement monitoring function, and that was placed with the Bureau of Meteorology. We fund the bureau to undertake some of those activities, and the functions of the National Water Commission, who used to undertake some of those activities, moved to the Bureau of Meteorology as well.

Senator BIRMINGHAM—That monitoring is undertaken as part of programs under Minister Wong’s portfolio?

Mr Borthwick—The Bureau of Meteorology is responsible to Mr Garrett in total, but clearly the activities in the water front and some of the climate change science is of vital interest to Minister Wong. But responsibility for the organisation rests with Mr Garrett.

Senator BIRMINGHAM—It would be so much easier if they had just made you minister for it all, Penny. We would have welcomed that.

[12.21 pm]

CHAIR—There being no further general questions for the department, we will move to output 1.1, Response to climate change.

Senator ALLISON—Have discussions been re-entered with the states on a greenhouse trigger in the EPBC?

Mr Borthwick—That is a matter under the Approvals and Wildlife Division because it relates to EPBC Act, which would be output 1.5. Just to make it clear, the current government did have an election undertaking to look at a greenhouse trigger, but there has been no discussion conducted at this point.

Senator ALLISON—When are they likely to take place?

Mr Borthwick—That is a matter for the government to consider. I am not able to advise you on that.

Senator ALLISON—Minister, have you organised meetings yet with the states on a greenhouse trigger?

Senator Wong—The EPBC Act does fall within Minister Garrett's portfolio. There is an election commitment, obviously, that you are aware of. As to how that is proceeding, it is a matter the government is considering.

Senator ALLISON—Are you able to inform the committee about the likely size of the trigger, how many emissions might trigger it?

Mr Borthwick—No, not at this stage. Because a lot of the climate programs are up for review both in our department and in the Department of Climate Change, and the balance and timing of them all vis-a-vis the introductions of an emissions trading regime, it will be worked through in that overall context.

Senator ALLISON—Does that mean we have to wait until the end of June before these talks begin?

Mr Borthwick—No, there is a range of discussions that are happening in the climate change space, some of which involve the states and territories, but this is not an aspect that we have discussed with them at this juncture.

Senator ALLISON—Why is that?

Mr Borthwick—This is a rather indirect answer. I was having a look at the election commitments my portfolio is responsible for, and there are about 107 commitments. We are project managing them and prioritising them accordingly. The whole area of climate change and the interrelationships, especially between the energy sector and renewable energy in the states, is a matter that is being progressed under the auspices of the Department of Climate Change. How the greenhouse trigger relates to that overall suite of packages is a matter that the government needs to consider.

Senator ALLISON—Is it your view that the states are warming to the idea? It is not a new one; it is not something that came up just at the last election; it has been around since the EPBC was first debated and negotiated.

Mr Borthwick—It is an idea that has been around in various guises.

Senator ALLISON—It is not an idea; it is a commitment, actually.

Mr Borthwick—Yes, but before the government's current commitment it was an idea that had been looked at at different times over about the last 10 years.

Senator ALLISON—Can you encapsulate the changes, if any? I am just trying to see if there is any better hope now than there was almost 10 years ago.

Mr Borthwick—This is not a matter that the government has as yet addressed. It will be addressed in the context of its overall responses to climate change.

Senator ALLISON—I am sorry, but you said there had been talks.

Mr Borthwick—No, I said there had not been talks with the states.

Senator ALLISON—I will check the *Hansard*, but I thought you said there had been various discussions with the states.

Senator Wong—It was ‘various discussions on a number of issues’ I think, Senator Allison, but I think the secretary indicated they were not on this issue.

Mr Borthwick—Not on this one.

Senator ALLISON—At the summit, will this be a subject under ‘sustainability’, one of the 10 general headings? Will this question be ruled out, for instance, as a topic for ideas?

Senator Wong—The 2020 summit is being organised through the Prime Minister’s portfolio as a whole-of-government exercise, Senator Allison. Obviously the intention is to have a very broad ranging discussion, as can be seen from the topics which are down for consideration in each of the groups. This is an election commitment but, as the secretary has indicated, there are a range of climate change and environmental election commitments the government is working through.

Senator ALLISON—So you cannot give us any sort of time frame as to even when the talks will begin for this particular issue?

Mr Borthwick—No.

Senator ALLISON—Does that suggest it does not have a very high priority in the government’s agenda on climate change?

Mr Borthwick—No, it does not. It is just that there is a considerable coordination activity, given the action it is taking across a wide range of fronts in the area of climate change and the need to make sure that all the elements fit together appropriately. The greenhouse trigger will be considered in that context.

Senator ALLISON—I am sorry to pursue this, but I do not quite understand why it cannot be stand-alone. We are talking here about major projects which might have greenhouse implications. How does that cross over emissions trading or the various other programs the government has? It is a simple matter that falls within the current laws—or should do—that we are talking about.

Mr Borthwick—Let me give you an example, but it is only an example. Where the trigger should be set, how it should be set and how that relates to which companies get within the activities of the emissions trading regime are issues that we would like to think through quite carefully in terms of the design of that trigger. There are going to be a number of these sorts of operational and interrelationship issues that we want to think through carefully. That will happen, but there is a clearer undertaking to have a greenhouse trigger.

Senator ALLISON—What is the range under consideration of quantities of CO₂ equivalent?

Mr Borthwick—I think it is premature to speculate on that. This is a matter on which we need to form views and advise the government in terms of the possibilities.

Senator ALLISON—Mr Borthwick, the reason I ask is that, again, this is not a new subject. What was generally considered to be an appropriate trigger was I think from 500,000 tonnes of CO₂ equivalent. I know you do not want to be specific and you have not reached agreement, but which direction are we heading—upper or lower?

Mr Borthwick—I cannot get drawn into this. I used the example of emissions reporting interrelationships in terms of reporting levels with the emissions trading regime and the need to work through this in a whole-of-government context and with the states, and we are not at that stage yet.

Senator ALLISON—It sounds like we are never going to get there, it is so complicated.

Senator Wong—Senator Allison, there is an election commitment to this. I think what the secretary is indicating is this: we have a range of highly significant commitments in the climate change space. They include the introduction of an emissions trading scheme. I think, as someone who has been interested in this area for some time, you would know that is a very significant reform and will have significant impacts and effects on a range of matters within this nation. What the government will do is ensure that it takes forward its climate change policies in a coherent, sensible fashion, with a whole-of-government approach, that we understand very clearly the interaction between one measure and another and that we have a very clear eye to the impacts on the Australian economy as well as the Australian environment.

Senator ALLISON—Mr Borthwick, why did the discussions with the states fail in the first instance?

Mr Borthwick—Since I have been secretary there have not been discussions with the states on a greenhouse trigger.

Senator ALLISON—How long is that, Mr Borthwick?

Mr Borthwick—I have been secretary for four years. There were discussions when Minister Hill was the minister responsible for the department for a greenhouse trigger. Even though that was before my time, my recollection from reading papers at that time is that the states strenuously resisted a greenhouse trigger at that time. The reasons as to why that was so, I do not know.

Senator ALLISON—I can suggest a couple.

Mr Borthwick—Clearly the current government has a clear commitment to move in this direction, and Minister Hill's time as minister is past history.

Senator ALLISON—Is it likely to have been projects like new coal-fired power stations? If so, is there any difference in the number of proposals, for instance, for coal-fired power stations now that might be captured by such a trigger?

Mr Borthwick—I do not want to speculate on which industry groups would be captured by a trigger, but clearly coal-fired stations are a source of big emissions and that would be natural. You can move down that line, and I think it is premature for me to go too far down there.

Senator ALLISON—It may be premature. I am sorry to press on with this but I think it is crucial to the government's capacity to deliver. What we do not want to hear in three year's time is: 'Oh, sorry. The states strenuously opposed it again.' So this government then wrings its hands and says, 'Well, sorry, we tried. That is it.'

Mr Borthwick—I think the whole relationship with the states on these matters has changed considerably from that stage when Minister Hill was trying to discuss this issue with the states, but that remains to be seen.

Senator ALLISON—We would all like to think so, Mr Borthwick.

Senator MILNE—To follow on from that, Minister Garrett, when he was the shadow minister and at the beginning of the election campaign, indicated in relation to the emissions from the proposed Gunns pulp mill that 500,000 tonnes was the Labor Party's policy on it. He indicated that we would have a greenhouse gas trigger and that 500,000 tonnes was the trigger. In spite of the fact that the mill would emit more than that, he said it would not be applied retrospectively. Can I clarify, further to Senator Allison's questions, what policy the Labor Party did take to the election in view of that statement in terms of the greenhouse gas trigger? I understand what you are saying now about a review of it, but what was the policy position you actually took to the election?

Senator IAN MACDONALD—Mr Garrett's views all changed after the election, anyhow.

Senator Wong—You would know all about that, wouldn't you, Senator MacDonald? Shall we ask Dr Hewson about that?

Senator MILNE—I am just interested because that was what was put: 500,000 would trigger it.

Senator Wong—Before we go to this, is it intended that we are going to do primarily EPBC Act related issues? The officers at the table are not EPBC Act officers, so we are happy to shift if the committee would prefer that. If senators are going to stay on this area, we will probably send Mr Oxley and Mr Carter back.

Senator MILNE—I want to ask about a whole lot of these climate programs. I want to know what the Labor Party's policy was, coming into the election, on the size of the greenhouse gas trigger, notwithstanding it is under review.

Senator Wong—I do not understand Mr Borthwick to be saying that it is under review.

Mr Borthwick—No.

Senator MILNE—From my understanding of the 500,000 tonnes, having a trigger is not under review but the size of the trigger is.

Mr Borthwick—I do not know what the current minister mentioned when he was in opposition as to the size of the trigger.

Senator MILNE—Then I am asking the minister: what was the Labor Party's policy position, which they took to the 2007 election, on the size of the greenhouse gas trigger? If you do not know, please take it on notice, because it is important—given the commitment to keep all election promises—that it is on the record.

Senator Wong—As I said, we have an election commitment to a greenhouse trigger in the EPBC Act, and that is within Minister Garrett's portfolio. I will take on notice whether there was any specific amendment as to the detail of that.

Senator MILNE—Thank you. I am interested in the whole range of energy efficiency programs that will be administered by this department as I understand the split. Can I have

clarification that basically this department will not determine the size of the energy efficiency target over all government—that that will be the climate change department and this department will just implement, through the programs, the achievement of whatever that target is.

Senator Wong—Are you talking about the renewable energy target?

Senator MILNE—No, not a target as such but whatever the policy is. The policy will be determined in your department—is that correct?

Senator Wong—Energy efficiency crosses a range of portfolios. There are specific programs within this portfolio dealing with energy efficiency, and Mr Carter and Mr Oxley can clarify those for you.

Senator MILNE—It is not the actual programs. What I am asking is: is it the climate change ministry that will determine what the goal is in terms of the effort across the whole of government to achieve a certain level of whatever that might be in energy efficiency? If so, presumably this department does not determine that policy—this department just implements the programs that are determined to give effect to that. Is that correct?

Senator Wong—Energy efficiency within government or as a policy matter? It is a genuine question.

Senator MILNE—I am just asking whether this department has any input into determining what level of effort would be appropriate in terms of energy efficiency across government in terms of the target.

Senator Wong—This department has an input. There will be a whole-of-government approach taken to this issue.

Mr Borthwick—Let me give you an example. In terms of, say, energy efficiency issues as they relate to business activities, the Department of Resources, Energy and Tourism will have a role. As it relates to, say, the household sector, my department will have a role. When it comes to setting various, say, renewable energy targets, that will be determined by the Department of Climate Change.

Senator MILNE—Given what you have just said—that you will have coverage of the domestic sector—what is the level of greenhouse gas emission reduction you are hoping to achieve through domestic energy efficiency measures?

Senator Wong—That would be Climate Change.

Mr Borthwick—That would be the Department of Climate Change.

Senator Wong—Sorry, that would be my other department.

Senator MILNE—I was just trying to clarify that point. Let me come to the actual programs now. Talking about the National Solar Schools Plan, what is the projected amount of emission reduction you expect to achieve for that level of investment?

Mr Borthwick—I will leave it to Mr Carter and Mr Oxley to address those issues.

Mr Oxley—That program is currently being managed by a different division—it is under development.

Senator MILNE—Who is managing that program then?

Mr Carter—The National Solar Schools program, like a number of these programs, is looking to integrate a number of sustainability issues that are at the user end. This program is actually being developed in an area that has been managing some of the sustainable water use parts of school programs.

Senator MILNE—So you do not have a performance indicator. You know how much money you want to spend in schools, but you do not have a target or an idea about the greenhouse gas reductions you expect to get for that investment?

Mr Carter—A number of programs that are in this area are directed at both increasing community engagement with climate change activity and increasing usage of technology. They may not be specifically abatement targeted programs. As we go through setting the performance targets and the monitoring and measurement of programs, clearly abatement is one factor that goes into that, but it is often not the entire driving factor, particularly with household and community programs.

Senator MILNE—Given that there is not an abatement target that you have in place for the National Solar Schools Plan, it is actually a public awareness raising program rather than an emissions reduction program?

Mr Borthwick—This activity, strange as it might seem at first blush, is actually run by our Natural Resource Management Programs Division. Alex Rankin, who has come to the table, is the head of that division. Why we are doing that is that this division is very good at delivering small grants programs such as the community grants program, Envirofund. What we have been trying to do as an efficiency measure is concentrate the actual delivery of these things into an area of the department that has got that particular expertise. Maybe Ms Rankin can help you.

Senator MILNE—There is this investment of however many million dollars it is. How much greenhouse gas reduction do you expect to achieve for that amount of cash?

Ms Rankin—The anticipated outcome from the investment through the Solar Schools program is that each school, which is about 9,500, based on our estimation at the moment, would receive a solar panel that would save approximately two kilowatts of greenhouse gas emissions per year. We do not have an actual target we have to achieve, but that is the estimated benefit from the investment.

Senator MILNE—So, if we are to achieve a global reduction or constrain global warming to less than two degrees, this is a minimal impact on Australia's emissions reduction, but hopefully a high-profile investment in public awareness—is that what you are basically telling me?

Ms Rankin—We are hoping that there will be a substantial public education benefit from the investment through this program.

Senator MILNE—I move on now to the solar hot water systems rebates for households. Surely there, since there has been a bringing forward of the budget estimates into this next year, you can tell me how many households you project for that amount of money will take up the option and what reduction in greenhouse gases. What are you measuring against it?

Mr Carter—Our estimate of the number of rebates that would be supported by that program is 225,000 rebates over the life of the program. We have not got clear numbers on greenhouse gas abatement. There will be a range of projections on what it would achieve that we can take on notice and get to you. Clearly the location of conversion to solar hot water and the energy source—whether it is, for example, coming from hydro source power, black coal or brown coal—will give quite a variation in how that comes out. However, for all of these programs the Department of Climate Change projections area and inventory area take those into account and do projections, so we can take that on notice and consult with them.

Senator MILNE—How many houses or residences are there in Australia today approximately?

Mr Carter—I do not have that number.

Senator MILNE—There are 7.4 million. So do think 225,000 solar hot water or instantaneous gas heaters are going to make a major contribution to domestic energy efficiency?

Senator Wong—Senator Milne, you are asking the officer for an opinion there. It is really not appropriate.

Senator MILNE—I have not been able to get a target for the emissions reduction against the total target. I will ask another question: how are you going to seriously reduce emissions from domestic energy efficiency by only targeting 225,000 households out of a possible 7.4 million?

Senator Wong—Senator, I would remind you that the government's intention is very clearly to introduce an emissions trading scheme. You are welcome to ask Mr Carter and other officers at the table about these programs, but you would be aware that these are not the only programs and not the only measures the government is undertaking in respect of climate change.

Senator MILNE—I am very well aware of that, but energy efficiency is a specific area of domestic reduction. The McKinsey report that has just come out this week said that by 2030 there will be a total of 60 megatons of carbon reduction opportunities to be found in the building sector. A large percentage of that is full insulation and solar hot water, but it would require a systematic national rollout to achieve it. What I am asking is: how are we going to get a systematic rollout if the best we can achieve is 225,000 max over several years?

Mr Carter—At this point we are looking at a range of programs that increase support to industry and to the development of technologies, and increase community uptake of those technologies. They are across a range of energy efficiency measures. We are aware of the McKinsey report and we will continue to provide advice to government on other actions that they might take in relation to energy efficiency as part of the broader spectrum of measures.

Senator MILNE—I have another question specifically on expected emissions reductions. On the investment in the expanded Solar Cities program, what is your benchmark? What are you expecting to reduce greenhouse gas emission by?

Mr Carter—As I indicated earlier, to accumulate the programs we would need to take that on notice and talk to the projections team that looks after Australian projections.

Senator MILNE—On the issue of equity, which is a big one in terms of projected increase in energy costs and energy efficiency, how are you expecting the domestic water rebates to get to rental households?

Mr Oxley—There is currently provision within the guidelines for that measure to get to rental households. It requires an agreement to be reached between the tenant and the landlord and there is a capacity to pay that rebate. Secondly, I would expect that, as the government's new Green Loans program is brought to maturity, rental households would have access to those measures as well.

Senator MILNE—Can you just tell me how the Green Loans are going to work for a low-income household?

Mr Oxley—I cannot do that at this point in time because that really is a matter of policy advice from the department to the government in the context of the budget.

Senator Wong—Senator Milne, perhaps I could just assist. Mr Carter has helpfully reminded me that in the COAG Working Group on Climate Change and Water, which as you recall was one of a number of working groups the Prime Minister and the first ministers established at the COAG meeting—and I chaired the climate change and water group—there is a subgroup which is dealing with energy efficiency specifically. We do recognise this is an important issue. It is being worked on between jurisdictions through that COAG process.

Senator MILNE—Why is there a reduction in Renewable Remote Power Generation Program?

Mr Carter—The Renewable Remote Power Generation Program had a significant increase in its funding for this year and next year. It is a demand driven program. The government has reduced funding by \$33 million in 2007-08 and by \$9 million in 2008-09. The remaining funding for the program is substantial. There were significant constraints to rolling that funding out in this year and the following year. A large proportion of the funding is administered and delivered by the states and territories. There is an issue around their capacity to deliver that magnitude in the program over that period. There is also an issue around the renewable energy industry and its capacity to deliver projects in remote and regional areas. We also have time constraints around the bringing forward of projects and their development into the funding. So it was money that the department felt it was not in a position to spend responsibly this year and the following year.

Senator MILNE—What is your evidence for the statement that the renewable energy industry had constraints about being able to meet the demand for remote service or installation?

Mr Carter—I cannot go into specific examples on that—I can certainly examine some for you. The renewable energy industry, particularly in smaller applications, is a relatively new and growing industry. Its capacity to actually have the technical expertise, the trained staff and the manufactured equipment to install is a growing capacity in this country, and it is one that needs to be grown in a phased way.

Senator MILNE—I am fully aware of that, but I am asking what evidence is there that they could not meet the demand and who gave you that advice?

Mr Oxley—It is a general observation that Mr Carter is making. It comes from our ongoing dialogue with the renewable energy industry about its growing capacity and constraints on that growth. The major constraint on the growth of the industry currently, particularly if you look at something like the photovoltaic power generation industry, which is quite significant in terms of the Renewable Remote Power Generation Program, is that the area where further investment is going on now and where more capacity needs to be built is around installers. The particular problem we have with the remote sector is that the remote installations are competing against urban installations of photovoltaic systems for that limited installer capacity. Just at the moment the industry is growing, and growing quite rapidly. The government is investing in the accreditation and training of installers, but it is taking time to build that capacity in what is a very competitive labour market.

Senator MILNE—Did you discuss this with the solar industry association? You said, generally, it is an observation in your discussions with people in the industry. Which people are telling you?

Mr Oxley—My staff, in particular those who run the Renewable Remote Power Generation Program and the Photovoltaic Rebate Program, participate in a regular dialogue with the photovoltaic industry in particular through a group known as the PV Directorate. It is in that forum, where there is an exchange of industry views and my staff participate, that that anecdotal evidence is coming forward.

Senator ALLISON—Can I suggest there is other anecdotal evidence. It is not that there is a shortage of PV systems; it is because of the hiatus for the election. Was it the case that approvals were not given over a period of time? Is it the slowdown? Is this a result of the department not being able to cope with whatever it was?

Mr Oxley—If I may, I did not at any time say that there was a shortage of PV systems. I said there was a shortage of installer capacity generally. There has not been, as a result of the election, any significant disruption to the programs which we are administering around renewable energy.

Senator ALLISON—How do you account for the fact that there was dip over the last 12 months or so?

Mr Oxley—I assume that you are talking about the quite significant dip between 2005-06 and 2006-07 in the RRPGP. The dip had a number of contributing factors. The first was the fact that under RRPGP 1—so the original RRPGP which came in in the 2000-01 budget—there was an allocation for each of the states based on the historic use of diesel fuel in the generation of electricity in remote areas, as you well know. In 2006-07 the Queensland government exhausted its available funds under that program. Queensland the previous year had, I think, spent \$9 million of RRPGP funds. It hit a wall in that next year, when there was only very limited funding available.

I would also suggest that the current difficult economic circumstances in regional Australia as a result of the drought may have meant that—when the majority of the funding is going to homesteads, pastoral stations and so on—people would just not have had the financial capacity, in managing a drought situation, to find the 50 per cent contribution they would have

needed to make. Again, that is my speculation. I could not produce statistical information to support that.

Senator ALLISON—In relation to the installers, I am pleased to know about the increased effort on training, because that is a big constraint in the industry generally across installation of renewables. Are you confident that there will be a sufficient number of people, given the investment in the photovoltaic rebate program? If you are confident with that, why couldn't those people also have been available to deploy to the remote programs?

Mr Oxley—I am not sure that I understand the connection between the first and second parts of your question. I am not in a position where I can express confidence or otherwise as to the growth in that capacity. We are seeing a sustained trend in the number of accredited installers being accredited through the BCSE, which is now the Clean Energy Council. Their advice to us is that there is an expectation that that growth and capacity will increase. Whether additional investment is needed by the industry in its own installer capacity development is unclear as yet.

Senator ALLISON—What percentage of remote Indigenous communities that would be suitable for a renewable energy system have already been taken care of?

Mr Oxley—I am not in a position to judge suitability. At the very beginning of the RPPGP there was some analysis done that identified broadly a range of classes of communities that may be able to take advantage of the RPPGP, and that was pastoral stations, homesteads and Indigenous communities. I think at the time those numbers indicated approximately 100 Indigenous communities. In the information we gave in an answer to a question on notice in the Senate in June last year we indicated that there had been approximately 345 Indigenous communities which had been assisted by the RPPGP.

Senator ALLISON—What was the previous figure, the expectation?

Mr Oxley—The original numbers were around 100, but I do not know the basis by which that was determined. I think the accepted statistic is that there are somewhere in the order of 1,200 to 1,400 remote Indigenous communities in Australia. They would be your potential target market—but of course there will be other energy solutions that are appropriate for them, such as gas, where they have access to a good gas network.

Senator ALLISON—Do you intend to do a review or a study of the potential for this program to continue and, if so, how many you think should be accommodated under it in the future?

Mr Oxley—That is work that I think we could usefully undertake, yes.

Proceedings suspended from 12.59 pm to 2.00 pm

CHAIR—Welcome back. Senator Abetz.

Senator ABETZ—Thank you very much. I understand that, on 20 August last year, the environment spokesman for the incoming government, Peter Garrett, announced plans—and they love that word 'plan'—to ensure that, by 2010, electric hot water systems would no longer be installed in new homes. How are we progressing with that?

Mr Carter—That is clearly a new government election commitment that we have been doing some of the background design and advice on, but it is still subject to government consideration on the delivery and that phase-out. It has complexity around it as well in terms of discussing with other jurisdictions—some of the states already have in place phase-out plans, so we are ensuring that we have a consistent process.

Senator ABETZ—Mr Garrett announced plans. Were they detailed plans sufficient for the department to go to work on them?

Mr Carter—They were certainly detailed enough for us to commence developing a draft implementation plan.

Senator ABETZ—When did that work start?

Mr Carter—I would have to take that on notice to give the exact date.

Senator ABETZ—But, you are not going to tell us that this was also a No. 1 priority, because everything else seemed to have been a No. 1 priority for this incoming government. This particular plan was not such a number one priority?

Mr Carter—We certainly provided detailed briefing to the minister across all of the election commitments within our area at the earliest opportunity.

Senator ABETZ—You have just reminded me—and if I may just ask this on notice, it is a general question, if it has not been asked before—can a comprehensive list of all election promises made in this area be provided to us?

Mr Borthwick—We can do that.

Senator ABETZ—Thank you. Now, reverting back to this program, in relation to this particular plan, I note also that Mr Garrett declared that, by 2012, no electric models were to replace hot water systems in existing homes.

Mr Carter—There were some design caveats around that.

Senator ABETZ—Which were?

Mr Carter—Examining whether or not gas was actually available in some circumstances. There were a couple of issues around whether alternatives could be delivered.

Senator ABETZ—You have now been tasked to look at how you can start backing out of some of these promises?

Mr Carter—No, Senator.

Senator ABETZ—In certain circumstances, you are saying that this promise, which was just heralded, would ensure electric hot water systems would no longer be installed in new homes by the year 2010. Is the government convinced that there will be no electric hot water systems installed in new homes by 1 January 2011?

Senator Wong—I will confirm that my understanding of the detail of this commitment is clear. My recollection is that the commitment was to a staged-phase out of electric storage hot water systems. The commitment was that by 2010 electric hot water systems would no longer be installed in new homes or those with reticulated natural gas. If there is any further information on that, we will provide that to you.

Senator ABETZ—It was staged for completion in 2010, so I just want to know if the government is committed to ensuring that there will be no electric hot water systems installed in new homes as of 1 January 2011?

Senator Wong—I have outlined to you my understanding of the election commitment.

Senator ABETZ—Does the election commitment include that there will not be any electric hot water systems installed in new houses as of 1 January 2011?

Senator Wong—I can only refer you to the wording of the commitment that I understand to be in place. If you have a comment on that, that is a matter for you.

Senator ABETZ—It is a pretty simply question, isn't? The Labor spokesman makes this commitment that they would be no longer installed in new homes by 2010; I therefore have to correct myself—in fact it, is not 1 January 2011 but by 1 January 2010. Is the government convinced that it can meet that commitment?

Senator Wong—Is the government convinced? That is the question.

Senator ABETZ—That it can meet the commitment that no electric hot water systems will be installed in new homes by 1 January 2010?

Senator Wong—I have outlined the information I have about the election commitment. I think Mr Carter has indicated where that is at in terms of the department's implementation of that.

Senator ABETZ—Let us drill back further. This will be very painful, Minister. Was there a commitment given by this government that no electric hot water systems would be installed in new homes by 2010?

Senator Wong—I have outlined the policy commitment and subject to getting—

Senator ABETZ—I am very slow; can you please repeat it for me?

Senator Wong—Can I just say that this is my understanding, and I will add to this answer if the minister I am representing indicates that that is required. We committed to the staged phase-out of electric storage hot water systems by 2010. Electric hot water systems will no longer be installed in new homes or those with reticulated natural gas. That is the information I have.

Senator ABETZ—What do you understand the term 'by 2010' to mean? Does that mean by the first day of the calendar year 2010?

Senator Wong—In the context of this election commitment—and, again, I am happy to take advice on this—I am not aware of any further detail in relation to that time line having been publicly indicated by the government.

Senator ABETZ—To your understanding, what day of the year would be the beginning of the year 2010? Would that be 1 January by any chance?

Senator Wong—Senator Abetz, you and I can argue calendars but it would make for a rather dull estimates hearing for most of the officers behind me, I am sure. As I outlined to you, I am not advised at this stage of the government, prior to the election, giving any further detail in relation to that date. If that advice is forthcoming, I will provide it.

Senator ABETZ—These are some fairly simple questions, aren't there, as to what the term 'by 2010' means? Are you saying that, having achieved something by 2010 means at the beginning of the calendar year, the end of the calendar year or by the year 2020?

Senator Wong—No, I have outlined to you my understanding of the election commitment. I have indicated to you that, subject to advice, I am not aware of the government having indicated in any greater specificity the date associated with this commitment.

Senator ABETZ—Would you agree with me that most people would interpret the term 'by 2010' to mean by the commencement of that year?

Senator Wong—That is a proposition. If you want to put that, Senator, there are plenty of forums for you to put that.

Senator ABETZ—How did the Labor Party expect the Australian people to understand this election promise with a specificity of 'by 2010'?

Senator Wong—I do not think I can assist you any further. I have outlined what I understand the election commitment to mean. I have indicated that I am not aware, subject to advice, of the government indicating in any further specificity the dates associated with this commitment.

Senator ABETZ—But a specific date has been given: 'by 2010'.

Senator Wong—Yes, by 2010, and I have indicated that.

Senator ABETZ—What do you understand that to mean? Does that mean by 1 January 2010 or by 31 December 2010?

Senator Wong—As I think Mr Carter indicated, there is obviously an implementation process associated with this. I am sure the dates associated with that commitment will become clear over time as government makes decisions in relation to this commitment.

Senator ABETZ—I am sure that there are a huge number of implementation considerations, and that is why I want to know how Mr Garrett was able to make this bland announcement that it would be in place by 2010—a matter of some 22 months away.

Senator Wong—Are you asking me what was in Mr Garrett's mind?

Senator ABETZ—Yes.

Senator Wong—I am sorry, I do not have that information.

Senator ABETZ—You represent the minister at this table, so would you go away, please, and take on notice and ask of him—

Senator Wong—You want me to take on notice what the minister had in his mind when he was opposition spokesperson—just so I am clear, that is what you want taken on notice?

Senator ABETZ—What the government policy means by the term, 'by 2010'.

Senator Wong—I am happy to take on notice the question of the detailed implementation of that government policy commitment.

Senator ABETZ—Was consideration given to those places that might not have reticulated gas? Were there any exemptions to this policy?

Senator Wong—I will take the question on notice. Is your question in relation to the government's commitment?

Senator ABETZ—Yes.

Senator Wong—Because it seemed to be that you were asking about the consideration whilst in opposition, and obviously that is not really a matter for the estimates committees.

Senator ABETZ—Wait a minute; this is exactly, in fact, what Peter Garrett told the Australian people—

Senator Wong—No, do not verbal me.

Senator ABETZ—‘Don't listen to what our promises are; listen to what we say when we're in government,’ and what you are now saying is—

Senator Wong—Do not verbal me.

Senator ABETZ—Mr Garrett's promise on 20 August cannot be questioned—

Senator Wong—I am happy to have a discussion with you, but do not verbal me.

Senator ABETZ—as he was not minister at the time.

Senator Wong—Do not verbal me.

Senator ABETZ—No, you got sprung.

Senator Wong—No, do not verbal me.

Senator ABETZ—You got sprung, very embarrassingly.

Senator Wong—No, do not verbal me, in your rather amateur attempt to try to make a political point now that you are in opposition.

Senator ABETZ—You got sprung. Take it with good grace—I had to sometimes when I got sprung.

Senator Wong—Yes, good grace is not something one associates with Senator Abetz very often, I am afraid.

Senator ABETZ—I think you are a few fries short of a happy meal at the moment, but I am sure that things will improve during the afternoon.

CHAIR—Did the kids tell you that one?

Senator ABETZ—I am sure things will improve during the course of the afternoon.

Senator Wong—Did you write that yourself?

Senator ABETZ—I am glad you appreciate it and we finally got a smile on your face.

Senator Wong—You have asked me to take on notice the details as to the implementation of this policy commitment. We have done so. You also asked some questions in relation to what was in Mr Garrett's mind, and I made the point that that is a little difficult for me to take on notice, but if you want me to try to do that, I will do so. Is that really what you want?

Senator ABETZ—No, what I am asking you quite clearly is: is the election commitment made on 20 August 2007 still the government's commitment now that it has been elected?

Senator Wong—I have outlined to you what I understand to be the election commitment.

Senator ABETZ—Yes or no—is it the same?

Senator Wong—I have outlined to you what I understand to be the election commitment.

Senator ABETZ—Is the announcement of 20 August 2007 by Mr Garrett still the government's policy position?

Mr Carter—We have been given the instruction into designing the implementation plan based on the statement:

- By 2010, ... electric hot water systems will no longer be installed in new homes or those with access to reticulated natural gas;
- By 2012, electric hot water systems will be phased out as replacements in both new and existing homes.

Senator ABETZ—You have told us what you have been given, and that is great, but I want to know whether what you have been given to implement is the same as the promise made by Mr Garrett on 20 August 2007. Surely the minister must know whether or not we have now fudged the policy since we have come to the realities of government and the difficulties of the implementation that Mr Carter has alluded to. Is it the same policy promise? Has it been revised? Sometimes governments make mistakes with policies and they have to revise them and refine them, and that is fine—just tell us.

Mr Borthwick—To the best of my knowledge, the policy we have been asked to implement is what the government announced prior to the election, but I am not familiar with what the current minister actually said in August. We will go and check that, but my understanding is that the 2010 and 2012 comment in terms of existing homes reflects the government's commitment.

Senator ABETZ—If you are not familiar with the statement—

Mr Borthwick—That is why I said we will have to go back and check what was said.

Senator ABETZ—Yes, but how do you know what to implement if you do not know the detail of the election promise?

Mr Borthwick—Because the department has gone back and looked at what the government's policies were and we have tried to faithfully reflect them and respond to them in terms of our implementation. In terms of what was exactly said in August, we will go back and check.

Senator ABETZ—What statement might you be relying on for the implementation other than the statement of 20 August? Has there been a revision?

Mr Borthwick—I do not know exactly from what document we got the 2010 and 2012 comment, but our understanding is that it reflects what the government said and what they intend us to do.

Senator ABETZ—Is the department able to give us a copy of the statement of policy that you have been asked by the minister to implement? Is the department able to give us a copy of that?

Senator Wong—As I understand it, and Mr Carter may correct me on this, the policy commitments to which you are referring were outlined in a Labor Party policy document for the election. Is that correct, Mr Carter?

Mr Carter—Yes.

Senator Wong—If, Senator, you wish to see Labor Party policy documents for the election, they are available on the Australian Labor Party website.

Senator ABETZ—We know that. Does the department not liaise with the minister but simply go to the Labor Party website and of its own volition start seeking to implement the government's policy?

Mr Carter—We certainly start to do preparatory work based on the election commitments, and part of that is our advice to the minister on implementing those commitments.

Senator ABETZ—Surely the minister has given you a list of issues to work on—priorities, matters of urgency and those things that he would expect to be implemented in full?

Mr Borthwick—Yes, of course, but all of these programs, especially those involving expenditure commitments, and some of those with regulatory impacts are subsequently subject to cabinet consideration in a budget context. That is normal process by which you move from an election commitment to consideration. That is the process we are going through on this program and all of the programs in the climate change area.

Senator ABETZ—What does cabinet consideration—or indeed anything else—have to do with this firm commitment that it would be implemented by 2010 when the Prime Minister has said that all his election commitments will be honoured in full, on time? Are you now saying other factors are coming into play that might mean that the timetable will be extended?

Mr Borthwick—No; I said that those with expenditure commitments or regulatory impacts—

Senator ABETZ—These are regulatory impacts, aren't they?

Mr Borthwick—These are regulatory impacts, yes.

Senator ABETZ—Yes; so you are saying that the Prime Minister's promise to implement all the election promises in full, on time does not apply in the event that there is a regulatory commitment attached to it.

Senator Wong—Madam Chair, I was an opposition senator in estimates as well, and I understand that political points are made, but it is most unfair of Senator Abetz to verbal Mr Borthwick in that way. That was not what the secretary said. If the senator has a proposition that he wishes to put to the secretary, he should do so. He should not simply say, 'This is what you've said.'

CHAIR—Minister, do you have a question for the secretary?

Senator ABETZ—I would love to be a minister, but I am not. If you are calling me, I will continue. You know how to hurt, Chair! Given all the complexities that you have referred to, Mr Carter, are you confident that this timetable of 2010 it can be implemented by 2010?

Mr Carter—Our role is to provide advice to the minister on how to implement in that timeframe, and that is certainly what we have done.

Senator ABETZ—What is the department's understanding of the timeframe?

Senator Wong—I have told you that three times.

Senator ABETZ—No, I am asking the department. They are implementing a policy, and I want to know what their understanding is of 'by 2010'. Because it is so clear for the minister, I am sure it is crystal clear for the department as well.

Mr Borthwick—It will be undertaken sometime during 2010, but whether or not—

Senator ABETZ—During 2010?

Mr Borthwick—During 2010.

Senator ABETZ—Right. Thank you for that, and it is a pity that the minister could not tell us that. I was asking whether 'by 2010' was 1 January or 31 December, and you are now saying somewhere in between. So by 31 December 2010 this policy will be implemented in full?

Senator Wong—The details of the implementation of this policy, as I understood the department to indicate, are still matters on which government has to make a decision. We have outlined to you I think on a number of occasions the election commitment, and it is the government's intention to honour the election commitment.

Senator ABETZ—It is its intention. All right. Then, by 2012 no electric models will be allowed to replace existing hot water systems. First of all, can I go back: are there any caveats on that policy that the department is working on—the 2010 policy?

Mr Carter—I think we indicated earlier that we would take a question on notice about the detail of the election commitment and the actual documentation; I would prefer to get that specific documentation to you.

Senator ABETZ—Do you have personal responsibility for this area?

Mr Carter—My division certainly does.

Senator ABETZ—How far down the track are we with it?

Mr Carter—We have been preparing the implementation detail for government to consider.

Senator ABETZ—Has a first draft been given to the minister yet? I do not want to know what is in it—or I do, but I will not ask her.

Mr Carter—Yes, it has.

CHAIR—Senator, do you have many more questions on this issue? We have been on it for 20 minutes already. We are still only on output 1.1, and other senators have indicated that they have questions. I am just trying to hurry things along a bit.

Senator ABETZ—Yes, but I think Senator Milne had a good innings before lunch. With respect to the 2012 time limit, 'by 2012': once again, that is during the year 2012; are we agreed on that now, that that is what 'by 2012' means?

Mr Borthwick—It is a bit hard to be drawn into semantics about what—

Senator ABETZ—It is not semantics. It is a timetable.

Senator Wong—Let the Secretary finish.

Mr Borthwick—I am taking my common understanding, and when it says ‘by 2010’ and ‘by 2012’, we are taking it to mean sometime within those calendar years.

Senator ABETZ—All right, thank you for that. It would have been a lot quicker, Chair, if the minister could have assisted in that regard at the very beginning. Having pursued that now, what happens with homes that might not be in areas that would necessarily lend themselves to either solar or gas for their hot water systems?

Mr Carter—In terms of the detail of that design, we would have to take that on notice, but it is a matter of advice and consideration by the government, which has not occurred yet.

Senator ABETZ—In my home state of Tasmania there are certain areas that are not necessarily known for the length of sunshine, but they do have the benefit of one of the cleanest forms of energy, namely, hydroelectric power, and it seems that this sort of ham-fisted one-size-fits-all might be nice if you live in the western suburbs of Sydney, but it is not necessarily applicable to those areas that already enjoy renewable energy and for whom gas would be very expensive and inappropriate and solar might be inappropriate. I just want to ensure that you suggest to the minister, Mr Carter, that there might be some complexities for remote communities that do not necessarily enjoy the climate that is enjoyed in Sydney. If you can do that for us, I would appreciate that. Thanks, chair.

CHAIR—Senator Siewert, did you have any more questions on this?

Senator SIEWERT—Not on climate change, but I am very desperate to move on to land and water.

CHAIR—Are there any further questions in this output? Senator Birmingham.

Senator BIRMINGHAM—Is the Renewable Remote Power Generation Program within this portfolio?

Senator ABETZ—If it is in this program, surely we can keep asking questions about it.

CHAIR—I am not ruling out the questions.

Senator ABETZ—Do not let the Democrats bully you.

Senator BIRMINGHAM—Related to climate change, what was Mr Garrett’s role in Bali?

CHAIR—I am not sure that that is relevant to output 1.1.

Senator BIRMINGHAM—He is the minister for this portfolio, and it seems to be the output that relates to what I would guess his role in Bali may have been, if it was a role greater than carrying the drinks.

Senator ABETZ—Is he in charge of water?

Senator IAN MACDONALD—Sort of.

Senator Wong—Your question is on what Minister Garrett’s role was in Bali? Secretary Borthwick attended with him, so I will get him to run through what Mr Garrett’s role was.

Mr Borthwick—Mr Garrett had a range of responsibilities. On numerous occasions, both he and Minister Wong had discussions with ministers from other countries on a range of climate change issues. There was also a range of discussions that Minister Garrett had with NGOs, with young Australians representing climate change issues, and with business interests. He was also involved in detailed discussions with the Indonesian government about the Coral Triangle Initiative—which is an initiative of the Indonesian President with some adjoining nations as well as Australia and the United States, in terms of protecting the very rich biodiversity of the reefs in that area—in which he offered the Great Barrier Reef Marine Park Authority to host a workshop in Townsville and will be initiating a range of work in that regard. He had discussions with the Indonesians in terms of dealing with the fishing industry to the north of Australia and joint activities that might be undertaken with respect to that. Also, he had discussions with respect to fostering economic development opportunities with Indonesians in terms of alternative employment prospects in that region. He had a range of discussions concerning forest activities and how that related to greenhouse, and quite a number of other matters. It was quite a substantive agenda that he was involved in.

Senator BIRMINGHAM—I expect you will have to take this on notice, but are you able to provide a summary of the ministerial and other meetings that Mr Garrett attended?

Mr Borthwick—I think those matters are really confidential discussions between respective ministers. I have outlined—

Senator BIRMINGHAM—Sorry, let me rephrase—a list of the meetings and discussions that Mr Garrett had rather than a summary of them?

Mr Borthwick—I would have to take that on notice and talk to Minister Garrett.

Senator BIRMINGHAM—I am not asking for the details of these meetings.

Mr Borthwick—No, you were saying a list of the various meetings, and I have indicated there was a considerable range of meetings, well beyond what I have touched on. I will talk to Minister Garrett about that.

Senator IAN MACDONALD—What do you mean, you will talk to him? You will get the details from him so you can answer the question?

Mr Borthwick—There was a large number of ministers representing Australia in Bali, and I just want to make sure that the approach I take is consistent with the way other portfolios are handling this issue as well. In principle, we will aim to be helpful to you, but I just want to take some advice on it.

Senator IAN MACDONALD—Mr Borthwick, it is not a question of how other portfolios are dealing with it. We want to know what your minister did.

Mr Borthwick—Yes, that is fine, and I said that I will go back and check with my minister on it, in part because I was not involved at all the meetings that he had.

Senator IAN MACDONALD—You are saying you will give us the list, but you will have to get Minister Garrett to supply it?

Mr Borthwick—I will take it on notice.

Senator IAN MACDONALD—With every meeting Mr Garrett had, there would have been someone from your department with him.

Mr Borthwick—No, not necessarily. There were some bilateral meetings that he had with other ministers or representatives of other countries.

Senator IAN MACDONALD—Do you mean to say he is talking to other ministers without anyone else in the room?

Mr Borthwick—I am just saying that I was not at those particular meetings.

Senator IAN MACDONALD—No, I know that you were not—well, I am sorry; I do not know that you were not, but I accept that you were not. Surely there would have been someone from the department with him on any meeting he was having with another minister? Here is a guy who has been in office for less than a week and made a bit of a stuff-up of his election campaign. You would not let him loose by himself?

Senator Wong—I will not respond to a range of the propositions in that statement, but, as Mr Borthwick has indicated, he is taking on notice the issue of Mr Garrett's meetings in Bali.

Senator IAN MACDONALD—I would like you or the secretary to say yes, you will supply it after you get the information.

Senator Wong—No, we have taken the question on notice.

Senator IAN MACDONALD—Which presupposes you will give us an answer.

Senator Wong—All right.

Senator IAN MACDONALD—That is fine; that is all I need.

Senator Wong—We have taken the question on notice.

Mr Borthwick—The reason is that there was a formal program of ministers, and the nature of the Bali meetings was that there were lots of subgroups and break-out groups and ministers running into each other in the corridors all the time.

Senator IAN MACDONALD—Mr Borthwick, many of us have been there, and we understand that, but you very rarely would go without someone from your department with you.

Senator Wong—I can tell you, from my experience through that negotiating process, that there were a number of meetings, multilateral and bilateral, which would have occurred without officers present at a senior political level.

Senator IAN MACDONALD—You were at them entirely by yourself?

Senator Wong—There were occasions at which the discussions and the negotiations would have occurred at a senior political level, at ministerial level, yes.

Senator IAN MACDONALD—You were at them by yourself—no-one else from Australia?

Senator Wong—I just indicated that. There are occasions through these negotiating processes where there are formal negotiations with officers present. There are also

occasions—and you will have to recall these are fairly intensive negotiations—where there are discussions which may occur between ministers.

Senator IAN MACDONALD—I do not want to know what was talked about, but in your instance, Minister, can you give us a list of all the meetings you had, particularly those when you were not accompanied by someone from your department?

Senator Wong—I will take on notice the issue of meetings, but can I flag to you that the Bali negotiations under the UNFCCC and the Kyoto negotiations comprised not only the plenary sessions but also a set of negotiations within what was known as the Djakarta Room, so they were friends of the President of the COP who convened a meeting at which some officers were present. My recollection was that, for most of those discussions, officers were present. There was then a small group negotiation which, as you may recall, Australia co-chaired, and in that context there were a range of bilateral discussions between various nations, some of which occurred with officers present and some of which occurred between ministers. I do not think it would be possible for me to list every single dialogue I had in a multilateral negotiation of that sort of complexity and over that sort of time frame.

Senator IAN MACDONALD—It is very important for us to actually get that, because, whilst the Australian media reported your efforts in a very laudatory way, I understand that the media in no other country made any reference to Australia at all, so it would be interesting to see just what meetings you did have. We do not want to know what was spoken about, but we would just like to know with respect to you and Mr Garrett what meetings you had. I think, as you were there representing the Australian people and the Australian parliament, we would be entitled to know just whom you were talking to during those conferences.

Senator Wong—The list of delegations from other countries would be listed in the details on the UNFCCC website.

Senator IAN MACDONALD—I did not ask that question.

Senator Wong—That is the point.

Senator IAN MACDONALD—I want to know what our ministers were doing.

Senator Wong—I can tell you what I was doing, and I have told you that.

Senator IAN MACDONALD—All right. Let us have a list of the people you met.

Senator Wong—The list of heads of delegation, many of whom were ministers but some of whom were senior officials, who were delegates to the Bali meeting, would have been indicated in the documentation associated with the UNFCCC meetings. Now, to be frank with you, if you are addressing the question to me as Minister for Climate Change and Water, not in my capacity representing Mr Garrett, then on Friday this should be addressed to me and the department in terms of who attended. I am sure that, when you were previously in government, you would have attended international negotiations, and you know you may have a discussion in the room and you may have a discussion over in the corner of the room where you are trying to get someone to shift position in order to advance Australia's national interest.

Senator IAN MACDONALD—Absolutely.

Senator Wong—Correct. So, you will understand—

Senator IAN MACDONALD—I can tell you who I spoke to.

Senator Wong—I can give you the list of the nations of the world who were present in the small-room negotiations, if that is what you would like.

Senator IAN MACDONALD—No, I want to know who you spoke to.

Senator Wong—I spoke to all of the people who were involved in the small-room negotiations.

Senator IAN MACDONALD—And with departmental officials?

Senator Wong—Departmental officials were in the small-room negotiations. Not every discussion that was had between ministers would have had department officials present, and that would go for all the nations. There would have been discussions where other nations' representatives would not have had officials present.

Senator IAN MACDONALD—If you cannot remember which meetings you had, then the department official that was with you would have taken a note of the meetings departmental officials were at, and that is what we are seeking. If you can add to it by those meetings you say you were at without any assistance, we would appreciate those, not only for yourself—and that saves me asking it on Friday—but also for Mr Garrett.

Senator Wong—We will take it on notice in relation to Mr Garrett, and I am sure you will raise this again when the appropriate departmental officials are with us on Friday.

Senator BIRMINGHAM—Did Mr Garrett conduct meetings in relation to the negotiated outcomes in Bali separate from you?

Senator Wong—No. I will ask Mr Borthwick perhaps to clarify it, but I was responsible for the negotiations in the context of the UNFCCC and post-Kyoto negotiations. However, as Mr Borthwick has outlined, Mr Garrett attended a range of meetings on associated matters, and I think Mr Borthwick has gone through some of those and taken on notice your request for further detail.

Senator BIRMINGHAM—Mr Borthwick, in the list of meetings that you have undertaken to provide in relation to Mr Garrett, would you identify those meetings that he attended with Minister Wong and those meetings that he undertook on his own, please.

Mr Borthwick—I will have a look at that.

Senator BIRMINGHAM—Did Mr Garrett take staff to Bali with him?

Mr Borthwick—Yes, he did.

Senator BIRMINGHAM—How many?

Senator Wong—Can we clarify this? Is this departmental staff or personal staff?

Senator BIRMINGHAM—Personal staff.

Mr Borthwick—I would have to check, but he took his Chief of Staff and a media adviser. I think that is all, subject to confirmation.

Senator BIRMINGHAM—What was the total cost of Mr Garrett's trip to Bali?

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

Senator BIRMINGHAM—And that of his staff as well, please.

Mr Borthwick—Okay.

Senator ABETZ—How many of your departmental staff? Were there two departments then, or was it still one department?

Mr Borthwick—Remember, this was only very shortly after the election, and it was about the same time that the administrative arrangements orders changed, so we were really working on an ‘Australian Inc.’ basis rather than on the staff formally shifting between the—

Senator IAN MACDONALD—Perhaps it would be easier if you just gave us a list of the Australian delegation in total?

Mr Borthwick—We can do that.

Senator IAN MACDONALD—Private staff for all ministers, because I understand that half the cabinet was there.

Mr Borthwick—It is not for me to provide the—

Senator IAN MACDONALD—At a departmental level, who was in charge of the Bali conference? It would have been your department, would it not?

Mr Borthwick—No. The leader of the delegation from an Australian point of view was the Ambassador to the Environment, which is in the Department of Foreign Affairs and Trade. That was Jan Adams, and she is now in the Department of Climate Change. In that sense, in terms of trying to draw together the threads, the answer would be best directed to the Department of Climate Change, but I am happy to take on notice the questions about Mr Garrett and his staff and about what staff that are nominally in my department were involved.

Senator BIRMINGHAM—Were the flights for Mr Garrett and his staff carbon offset?

Senator Wong—I will have to take on notice issues relating to Mr Garrett. In relation to the broader issue of the government reducing its carbon footprint, of which offsets is a subset, I make it clear that the government is committed to taking responsibility for its impact on the environment. Prior to the election, the Prime Minister did set out a range of commitments that the government would implement if elected in relation to government showing leadership. These included things such as energy and water audits, and energy efficiency matters. The government is currently considering on a whole-of-government basis the best way to implement its election commitments and the best way to reduce its carbon footprint. The issue of offsets will be considered, as I understand it, as I have been advised, in that context.

Senator BIRMINGHAM—Did Mr Garrett meet with any Japanese officials whilst in Bali?

Senator Wong—I think Mr Borthwick has taken on notice details of Mr Garrett’s meetings.

Senator ABETZ—Yes, but do you know?

Senator Wong—We have taken that question on notice.

Senator BIRMINGHAM—This is a specific one, though.

Senator Wong—We have taken that question on notice.

Senator BIRMINGHAM—Mr Borthwick, were you present with Mr Garrett at any meetings with Japanese officials?

Mr Borthwick—I do not recollect being present at any meeting with Japanese officials. Why I pause is that my recollection is that we did seek meetings with Japanese, but I do not think they occurred. I will check my recollection on that.

Senator BIRMINGHAM—Was there any discussion of whaling that took place in meetings?

Senator Wong—That is a non sequitur, Senator Birmingham.

Senator BIRMINGHAM—Thank you, Minister Wong; I just thought perhaps that the topic might refresh Mr Borthwick's memory.

Mr Borthwick—It clearly would have been an issue that would have been raised with the Japanese, but, despite our wishing to have a meeting with the Japanese, my recollection is that we were not able to line up a meeting, but I will confirm that.

Senator BIRMINGHAM—One final area on climate change in this output. Where has the funding of \$3.55 million for the new solar power station at Coober Pedy being allocated from?

Mr Oxley—That comes from the Renewable Remote Power Generation Program.

Senator BIRMINGHAM—When was that funding finally allocated to the program?

Mr Oxley—In the past couple of weeks, the minister has made the decision, based on the department's recommendation, to make the grant.

Senator BIRMINGHAM—When was the department first approached?

Mr Oxley—As with all of these projects, there is a long lead time involved in their development, generally involving industry partners and the local community. I would have to take it on notice as to exactly when the process began, but suffice to say that it would have been at least 12 months ago by my estimation.

Senator BIRMINGHAM—The project has been a long time in the making, and obviously has developed over the course of both the previous government and the current government.

Mr Oxley—That is correct.

Senator BIRMINGHAM—In terms of the funding from the state government and private industry, how much other funding is going into this project?

Mr Oxley—I do not have the information readily at my disposal, so I may need to come back and correct what I am saying. My recollection is that in the order of \$600,000 has come from the South Australian government, and the combined industry investment between the partners is something in the order of \$8 million, but I will check that and come back if that is incorrect.

Senator BIRMINGHAM—Who will have ownership of the power station?

Mr Oxley—The power station initially will be owned by the company that is building it. There is a proposal that, subject to satisfactory commercial arrangements being negotiated with the local energy supplier, the energy supplier would take on ownership of the asset within five years.

Senator IAN MACDONALD—Can I just confirm something with Mr Borthwick the answers to my questions to the Bureau of Meteorology. I was told rightly that they were in the wrong area. Will you be able to get me that information on the nations that emit greenhouse gas in order? I think that you said you could, but I just want to make sure that you have that on notice.

Mr Borthwick—That question is best directed on Friday. It is a readily available league table.

Senator ALLISON—Can I ask about the mandate of renewable energy that is proposed?

Senator Wong—That is within my department, Senator—the Department of Climate Change.

Senator ALLISON—You manage the programs but not this program?

Mr Borthwick—The renewable energy target, which is that 20 per cent target, is oversighted by the Department of Climate Change.

Senator Wong—Is it a question about the program we were discussing when Mr Oxley was answering questions from Senator Birmingham?

Senator ALLISON—There are a couple of things I would not mind confirming.

Senator Wong—I am just clarifying. The legislative framework is my responsibility within DCC. The program that we were discussing previously is a responsibility within this portfolio and has been Minister Garrett's responsibility.

Senator ALLISON—That is the current MRATE?

Senator Wong—No.

Senator ALLISON—Where is the current MRATE? Forget about the 20 per cent; where is the current MRATE?

Mr Borthwick—The Department of Climate Change is responsible for the current MRATE.

Senator IAN MACDONALD—Mr Borthwick, what part does ethanol play in the fight against climate change?

Mr Borthwick—You could write a few textbooks about that issue. It very much depends on the source of the product and the manufacturing process. By and large, we do not believe, subject to the caveat I just said, that ethanol is done for climate change reasons.

Senator IAN MACDONALD—It is more for particulates and—

Mr Borthwick—Very small.

Senator IAN MACDONALD—clean air.

Mr Borthwick—That is an aspect we are looking at. We are undertaking a health study to see whether or not ethanol enhanced fuel does lead to some health benefits, but that area is in output 1.5.

Senator IAN MACDONALD—I was just curious. Do I remember correctly that Mr Tanner's razor gang cut some programs about ethanol investigation?

Mr Borthwick—It did not cut this program. We are spending \$3.9 million over several years to look at whether there are health benefits through improved air quality from using ethanol. The outcomes of that study I become available in a couple of months—around the end of June, I am told.

Senator IAN MACDONALD—There were a number of programs related to climate change that were supposedly slashed by Mr Tanner. Are any of them in your department, or are they all now in the new department?

Mr Borthwick—What we were discussing earlier today, the reduced funding for the Renewable Remote Power Generation Program because of our difficulty in spending it responsibly because of the shortages of skills—that was in our program. Is there anything else in this area, Ross?

Mr Carter—There was one other budget reduction, in the Low Emissions Technology and Abatement program. There was a \$2.2 million reduction in that area. That was a specific area devoted to fossil fuels in which we had very low interest in the last couple of years. It was an uncommitted funding area.

Senator IAN MACDONALD—What do you mean by little interest—little interest from whom?

Mr Carter—It was originally targeted at supporting greater efficiency in fossil fuel burning at power generation facilities. What we found with that was that the level of interest from industry was extremely low, mainly because the technology in those areas was picked up in larger funds. It was too low an amount of money, basically, to interest people who were looking at adjusting their fossil fuel usage in power stations.

Senator IAN MACDONALD—If you had not spent that money, what would have happened to it at the end of the financial year?

Mr Carter—The Low Emissions Technology and Abatement program has a number of themes that include support for renewable energy. What we would have done is examine whether there were some opportunities in working with the Clean Energy Council on recommitting that to other programs that they wanted to bring forward. At this point in time it had been uncommitted.

Senator IAN MACDONALD—You will not have to bother doing that now because it has gone back to Finance?

Mr Carter—That is correct.

Senator IAN MACDONALD—The other programs—the Asia-Pacific and deforestation programs—were out of Foreign Affairs, were they?

Mr Borthwick—They were primarily done by AusAID in conjunction with my former department, but now that role shifts to the Department of Climate Change, which is implementing that program in conjunction with AusAID.

Senator IAN MACDONALD—It will not be implementing it, because it has been cut.

Senator Wong—Which one are you talking about?

Mr Borthwick—I thought you were talking about the forests initiative.

Senator Wong—There is Asia-Pacific forests et cetera, or the network.

Senator IAN MACDONALD—Both.

Senator Wong—The Asia Pacific network for energy is within Minister Ferguson's portfolio.

Senator IAN MACDONALD—It is not anymore, because it has been cut, or there has been a substantial bit cut. It used to be in yours, though, didn't it?

Senator Wong—It is within the DRET portfolio.

Mr Borthwick—Are you talking about the Asia-Pacific partnership with about six other countries?

Senator IAN MACDONALD—Yes.

Mr Borthwick—That is primarily in the DRET portfolio.

Senator Wong—The Department of Resources, Energy and Tourism.

Senator IAN MACDONALD—It always has been?

Mr Borthwick—No. It was really undertaken by a range of departments in a whole-of-government fashion.

Senator IAN MACDONALD—Where did the funding come from; out of whose budget? It was not yours, obviously.

Senator Wong—My recollection—and Mr Carter or Mr Oxley might correct me—I think under your government the secretariat for that was located in Resources. Is that correct?

Mr Carter—Yes, the Department of Industry, Tourism and Resources had the secretariat for the Asia-Pacific partnership and the funding allocation for that, and that has transferred to the Department of Resources, Energy and Tourism, following the resource function.

Senator IAN MACDONALD—There was no funding out of your department?

Mr Carter—No.

Senator IAN MACDONALD—Was the deforestation program in your department, or was that AusAID too?

Mr Borthwick—Most of the funding was with AusAID, but it is my former department, now the Department of Climate Change, that administers that with AusAID. Questions on that need to be directed to the Department of Climate Change and/or AusAID.

Senator IAN MACDONALD—Who is the secretary of the Department of Climate Change?

Senator Wong—Dr Martin Parkinson.

Senator IAN MACDONALD—Where does he hail from? Is he out of the department of environment?

Mr Borthwick—No. He was a longstanding Deputy Secretary of the Treasury portfolio, and he was promoted from that portfolio to be Secretary of the Department of Climate Change.

Senator IAN MACDONALD—If he came from Treasury, he will know all about cutting. Thank you.

[2.56 pm]

CHAIR—We will now go to output 1.2, ‘Conservation of the land and inland waters’. Senator Siewert will ask questions when the officers are at the table.

Senator SIEWERT—I will just list some of the issues that I think come under this outcome and the ones that I want to ask questions about. It is a long list. I want to ask about NRM, NHT, including the biodiversity hotspots program; Ramsar wetland management and the issues around clearing that I raised in the last estimates; the Northern Australia task force; and national parks. My understanding is that these all come under this portfolio area—national parks including specific questions around budgets and some specific parks.

Mr Borthwick—I think it would be best if we addressed the Ramsar water areas under the ‘Water’ heading.

Senator SIEWERT—They do count as inland waters, however.

Mr Borthwick—Earlier on I said that, if it relates to an EPBC matter it would be 1.2, but if it is—

Senator SIEWERT—Even though this is specifically about management of Ramsar wetlands.

Mr Borthwick—Then it should be under ‘Water’.

Senator Wong—That would be outcome 3. That would also be where we would generally deal with the Northern Australia task force.

Senator SIEWERT—You have ‘Conservation of land and inland waters’. Ramsar, to me, is about conservation of inland waters.

Senator Wong—This was the difficulty with changing to outputs.

Mr Borthwick—This was the portfolio structure reflected in portfolio budget statements as it related to the previous structure, to which was then added and separated out outcome 3—but water still has a general environmental interest. I understand why it is confusing, but it would be best to pick up water when all the water people are here. As I indicated before, to the extent that it has relevance for other areas of the department, we will make sure those officers are here, hopefully, so we can pick up the cross-linkages.

Senator SIEWERT—Can we then go to the cutting of the biodiversity hotspots program? My understanding from here and the statement last week is that that program has been cut. Can you explain why it has been cut and what that actually means?

Ms Petrachenko—As you are aware, the Maintaining Australia's Biodiversity Hotspots program commenced in 2004. It has been decided that it be wound up at the end of this fiscal year. We have already invested \$12 million to date and are planning remaining investments for 2007-08 for a total of about \$7 million for the purchase of six additional properties; \$4.5 million for seven regional stewardship projects across the country; and two other properties, to the tune of \$2.8 million. Overall the \$6 million is money that will not be spent; it was not committed for this fiscal year.

Senator SIEWERT—The \$6 million was not money that was committed for this year; so you could not find properties to buy—biodiversity hotspots—that would use up that \$6 million?

Ms Petrachenko—What we did was to approach Finance to look for a carry forward into the 2007-08 fiscal year. That is correct: we did not have properties identified for this fiscal year for the \$6 million.

Senator SIEWERT—I will come back to that one. Was this program always going to be wound up this financial year?

Ms Petrachenko—Yes. That is my understanding.

Senator SIEWERT—Finance would not let you carry the money forward?

Ms Petrachenko—The decision was made to reduce the \$6 million, not carry it forward into the next year.

Senator SIEWERT—It is not as if it is hard in Australia to identify biodiversity hotspots. I could go to any environment group right now and ask: where are your spots that you think are the hottest spots in Australia? Why have you not been able to expend that money?

Ms Petrachenko—There are a number of factors. We did have a departmental panel that looked at various properties and assessed them according to their values and contributions to biodiversity. It is also a question of what people are willing to sell. With the identified properties, we will be hopefully having those purchases finalised this year to the tune of about \$14 million of further investments.

Senator SIEWERT—\$14 million this financial year?

Ms Petrachenko—Yes.

Senator SIEWERT—So you could have had 20?

Ms Petrachenko—There was \$20 million allocated, but we did not identify properties for the \$6 million.

Senator SIEWERT—Can you remind me who is on the advisory committee? If anybody from an environment group is listening to us right now, they are having conniptions that there is \$6 million that could have been spent on purchasing properties and is now being handed back and not expended

Ms Petrachenko—Yes, that is right. To answer the question in terms of who is on the advisory committee, it comprises Hugh Possingham from the University of Queensland is the chair; Alistair Graham from the Tasmanian Conservation Trust; Michael Kennedy from the

Humane Society International; Denis Saunders, a retired ecologist; Juleigh Robins from Robins Foods Pty Ltd; and Quentin Grafton from Australian National University.

Senator SIEWERT—They could not identify \$6 million worth of properties for purchase?

Ms Petrachenko—We did not have \$6 million identified for this fiscal year—that is correct.

Senator SIEWERT—Thank you. I will seek your guidance: should we do NHT and NRM now, because I appreciate that some of the questions I want to ask around national parks relate to NHT.

Mr Borthwick—It is fine to do NHT and parks issues now.

Senator SIEWERT—I will do NHT and then maybe natural resource management. I should take a step back. NHT3 was announced by the previous government in the forward estimates in May last year. There has been no announcement as far as I am aware from this government around the pros around NHT3. I also understand from answers that I received previously that there has been no announcement on the future programs for NHT3 other than what has been identified as election promises—for example, Great Barrier Reef: is that correct?

Ms Petrachenko—Yes.

Senator SIEWERT—When is it likely that announcements will be made on the future of NHT3?

Ms Rankin—The government is currently considering the future arrangements for NHT3 and it is very conscious of the need to make an announcement as early as possible to provide certainty for all the stakeholders that have been involved in NHT and they are working to do that as soon as possible.

Senator SIEWERT—Are you aware that there are currently catchment groups that are in the process of winding up their business because they have no certainty about future of (a) funds for projects and (b) their staff, and they are haemorrhaging staff like no one's business right now?

Ms Rankin—The ministers are aware of that, and that is why they are trying to come to a decision on it as quickly as possible.

Senator SIEWERT—When is that decision likely to be made, and when is it likely to be communicated to the groups?

Ms Rankin—I cannot say anything more than as quickly as possible.

Senator BIRMINGHAM—What seems to be the delay?

Ms Rankin—I think it is just a legitimate process for the government to have gone through since taking office that it needs to review what the previous arrangements were and to make its decision on the appropriate future arrangements and how it can meet its own national priorities through those arrangements.

Senator SIEWERT—Is it likely that funding will continue through the regional NRM process?

Ms Rankin—I think the government in its election commitments, for example, and the reef rescue program gave a very clear commitment that it supported the regional model.

Senator SIEWERT—That is a cute way of not answering my question, with all due respect.

Senator BIRMINGHAM—Minister, you seem to be very quiet on these issues, which I think are important. Obviously, the department officials are doing a very good job batting off Senator Siewert's questions, but they relate to when the government will actually make an announcement. I understand that Ms Rankin obviously is not in a position to be able to say when the government is going to consider this. Is this something else that is tied up in the budget context, in which case obviously a lot of NRM and CMA groups will have probably closed their doors by the time the budget comes out?

Mr Borthwick—I think there is a very clear appreciation that this issue needs to be resolved in advance of the budget, precisely because funding for a number of these groups runs out at the end of this financial year. But, as Ms Rankin mentioned, arrangements from the previous government—although she did not quite mention this—were pretty well advanced with a number of states in terms of bilateral arrangements when the election was called. The incoming government had quite a different approach to bring to this area, which was reflected in the reef rescue package, in wanting to build up our national reserves system and Indigenous protected areas, in facial tumour disease with Tasmanian Devils, cane toads, et cetera. A lot of those moneys were earmarked to be funded from the NHT, but that necessarily meant that we have to have a very clear look at the NHT as a whole to accommodate those priorities which were to be funded from the NHT. That is the process that has been undertaken, but it is very conscious of those regional catchment groups—56 in all—and the need to clarify the situation as soon as possible.

Senator SIEWERT—You would be aware that there were some issues around the rollover from NHT1 to NHT2, when many regional organisations lost extremely good staff. It is well known that the program was set back during that process. That is exactly what is happening now. Commitments were made at the time that that would not happen again, and exactly the same thing is happening. I have got regional groups coming to me telling me exactly the same thing that they told us three years ago. It is not a good way of rolling out and promoting capacity building, supporting regional groups and delivering NRM, because there are only so many times that people are going to come back to the table. What is being done to address that, help regional groups through this process and reassure staff that their futures are being looked at? It comes up in here. It is like we are reinventing the wheel.

Mr Borthwick—There was a change of government and there is a change of priority, and it is reasonable for an incoming government to have spent a couple of months seeing how it can take this program forward reflective of its priorities.

Senator SIEWERT—Is it true that there is talk of a gap year? The rumour that is going around regional groups right now is that a gap year is being talked about.

Mr Borthwick—I do not know what you mean by a gap year.

Senator SIEWERT—A gap year, where there is no funding for regional groups; there is a gap in funding.

Mr Borthwick—I do not want to start speculating on the government's deliberations, but the intention will be to use regional groups as a vehicle for delivering aspects of the NHT as they have been in the past.

Senator SIEWERT—Are you saying there is a commitment to continuing regional groups, but you do not know what level of funding is available for regional groups?

Senator Wong—No, because as Secretary Borthwick has indicated—and I understand that this is an issue of concern to you—the government is considering the arrangements in relation to the NHT. We are very conscious of the need to expedite this. Minister Garrett is very conscious of the issues you raise, and the government will be considering these matters as a matter of priority.

Senator BIRMINGHAM—Given the language the secretary has used about a refocusing and a move towards a national focus by the new government and the allocation of funds from the NHT by the new government to things like GBRMPA, is it inevitable that there will be less money in the NHT pot for regional groups?

Mr Borthwick—I do not want to speculate in terms of those decisions, but it was very clear that, in terms of that reef rescue package and earlier discussions with the GBRMPA to which you have referred, those regional groups up and down the Queensland coast were to be engaged in parts of delivering that package. That was very clear in what was said prior to the election.

Senator BIRMINGHAM—In parts of that package. But is the pot for regional groups across Australia going to be smaller, inevitably, regardless of whether the government even consider it going forward this year or next year or having gap year or a whatever year?

Mr Borthwick—I think you have to wait until the government has considered the issues and made an announcement in terms of the composition of the NHT.

Senator SIEWERT—Is the government seeking the advice of people who have expertise in the NRM regional delivery model, that strategic investment process that I am aware has been under lengthy discussion within the department? In fact, we have had discussions here on numerous occasions about that process. What process is the government using to actually make these decisions?

Mr Borthwick—It will be drawing on a range of advice. It will be drawing on the department's expertise; it will be drawing on the Auditor-General's report; it will be drawing on the 10 or so evaluations of the NHT that were undertaken; it will be drawing on its own sense of what the priorities should be, some of which they articulated whilst they was in opposition.

Senator SIEWERT—Not many. There is not a lot to go on in the public arena where the government is coming from on NHT3, besides those iconic issues that you have already suggested, which is also what is giving the regional groups some great cause for concern. Are they expected to hang on now until May before they get an indication of their future?

Mr Borthwick—No, I indicated—although this is subject to government consideration—that the government is acutely aware that the regional groups need clarity on this issue as soon

as possible. With that in mind, it would be highly desirable to bring this issue to a resolution prior to the budget in May.

Senator SIEWERT—We are talking a matter of weeks?

Mr Borthwick—Hopefully, yes.

Senator SIEWERT—I am sure that you are aware that there are regional groups that have almost expended all of their funding and there are regional groups that can actually stretch out their funding for the next couple of months. Will you be prioritising those groups—as long as they have met all of the reporting criteria?

Mr Borthwick—We are very conscious that different regional groups are facing different financial circumstances. Some, as you know, are structured on different ways. Some are statutory creatures of the states; some are corporations separate from the states, but we are very conscious that the financial situations of different groups are quite different, as you would expect with them having their own governance arrangements.

Senator SIEWERT—I want to drill down into some specific questions on NRM and the audit report.

Senator BIRMINGHAM—I have some more on NHT.

Senator SIEWERT—In terms of the audit report, there are a couple of things that actually come out of it immediately for negotiations in terms of bilaterals, and one of the comments that comes out of it to me is the relationship with the states. I cannot specifically find right now the comments that are made, but they are about the relationship with the states and the bilaterals, and I think it was the states not necessarily reporting against what has been included as outcomes in the bilaterals. How does the Commonwealth intend to deal with that issue in the ongoing discussion over bilaterals, presuming that you do end up going through the bilaterals process through the new NHT3?

Ms Rankin—In the government response to the audit report, we have accepted all of the recommendations made by the Audit Office, so it is very clearly our intention that, in any future negotiations on bilateral agreements with the states, if there are to be such things, under future arrangements for NHT, we will try to be much more explicit about our expectations about state commitments.

Senator SIEWERT—With all due respect, this document could have been produced under NHT2 in 2004 or whenever it was. You know as well as I do that the issues around reporting and performance monitoring et cetera have been ongoing issues to the history of Landcare programs through NRM programs. What will be done differently to actually correct this? I would hope that the department thinks we should be reporting better, et cetera, but how are we going to change it?

Ms Rankin—I guess the current considerations by the government are looking at improved ways of doing monitoring and reporting and evaluation under the new program. I cannot go into any specifics at this stage.

Senator SIEWERT—You are unable to because they are confidential or because you have not got that far in the discussions?

Ms Rankin—It is probably a bit of both. The government is still considering what approach it wants to take as part of the future arrangements, but there is a lot of detail to be sorted out beyond the high program design delivery level.

Senator SIEWERT—My understanding from this is the issues are not related—which is where I think some of the regional groups may have some concerns, in that people think that it is about their accountability of funds. It is not, for me. Of course we expect that probity is being kept, et cetera, but it is about actually delivering on outcomes. To date, over the last two decades of doing this stuff, we have not come up with a way of actually being able to report against what we expect from outcomes from spending this money. We cannot tell the Australian public at the moment that their money is being well spent. We think it is, but we cannot prove it.

Senator Wong—I am sure you are painfully aware of this, but you are referring to the Audit Office report which obviously related to a period under the previous government. Ms Rankin might correct me, but this government has responded in the terms which I think have been made public, and I trust that clarifies the context of these questions. They are relating to an audit report in relation to a period under the previous government.

Senator SIEWERT—As much as I sometimes enjoy bagging the previous government as much as anybody, in this instance it is not just about that. I am sure Ms Rankin and anybody involved in an NRM knows what I am talking about, and that is that, with the sort of money we are talking about, and the sort of outcomes we are talking about, it is really hard to achieve what the Auditor-General is talking about, unless real acid is put on the states and on regional groups to engage in this discussion. What are you doing that is different so that in three years' time this government will not be then saying we have not been able to prove how we are spending the money?

Ms Rankin—I can probably give you an example without going into specific details. This is something that Minister Garrett is very aware of. The things we are thinking of at the moment have been really much more specific about what outcomes we are trying to achieve for the new program. As you are probably aware, under NHT2—and I to some extent—the levels of objectives and priorities set were very high level and to some extent probably over-promised what could actually be achieved with the funding. They also did not recognise the long time frames that might be needed to achieve particular outcomes versus interim outputs. We are sort of working through a process at the moment about trying to work out how we can go about becoming much more explicit about the actual things we can realistically expect to achieve in a set of national priority areas with the amount of money that is available and being much more realistic about what our expectations are from the program.

Senator SIEWERT—With respect to the guiding principles about investment that I think were discussed at the ministerial council in April last year, which that we talked about here and in the rural and regional committee, will those guiding principles still be used for this set of negotiations? You will be aware of those that I am talking about—those that have come out in SIF process. They were signed off last year. Will that framework still be used?

Mr Borthwick—That framework clearly had some very important features, but it did reflect the priorities of the previous government. As to how those aspects get picked up and reflect the priorities of this government, I think you will just have to wait a few weeks to see.

Senator SIEWERT—This is a really important point. That framework was not a political framework; that framework is a more scientific based process for how we should be directing investment to get away from the political investment.

Mr Borthwick—My recollection was that it was at a fairly high level, and as to how it then translates into the particular delivery models and priorities of this government, I think you will have to wait a little longer. Your recollection, I think, was that those frameworks were at a high level. They were some nationally agreed objectives, and I think you are right; they will be equally applicable to this government as they were to the previous government. But I think you will just have to wait and see in terms of the delivery of aspects.

Senator SIEWERT—Are you telling me that the work that has been done by the departments that are refining how best to invest NRM money is not going to be continued? There has been a lot of work, with NHT money invested in projects that look at how to prioritise investment in NRM to get your best bang for your buck, basically.

Mr Borthwick—No, it is still going to be relevant, but there have to be changes to reflect this government's priorities, which are refocusing the NHT more on nationally significant environmental matters and less—

Senator SIEWERT—Can you tell me what they are?

Mr Borthwick—I think you have to wait until the government makes an announcement on the future shape of the program. It is not for the department to pre-announce directions.

Senator IAN MACDONALD—When is that likely to be?

Mr Borthwick—I indicated that, because we were very conscious of the situation facing the 56 regional groups, it was highly likely that there would be an announcement prior to the budget.

Senator SIEWERT—That is going to be around all of what the nationally significant investment priorities are for NHT?

Mr Borthwick—I do not want to be drawn on this. I do not want to be unhelpful, but it is still subject to government consideration.

Senator SIEWERT—Will they be using the guidelines that have been drafted up for investment? They were at the level of NRM; they were not at the higher level of investment that I think you are talking about.

Mr Borthwick—They were trying to identify, from memory, four or so high-level priority areas for investment—actually, I have just been advised it is six—and that material is still pertinent.

Senator IAN MACDONALD—All the NRM groups went through a process where they did their investment plans looking, I thought, from memory, a long time into the future—some seven or eight years. Are they still going to be relevant?

Mr Borthwick—All the funding under NHT2 expire at the end of June 2008, so all the commitments that the regional groups have entered into could not have exceeded that period for which they were funded.

Senator IAN MACDONALD—I think their investment plans went beyond that.

Ms Rankin—The regional plans and investment strategies developed by a whole lot of the regional groups have a life beyond the NHT program in many cases. In a lot of cases, they are prepared for state statutory purposes or as a way of getting funding from other sources beyond the Commonwealth government, through the NHT. So, to the extent that they have that purpose, it is certainly our view that regional bodies own those documents and they can continue to work on them. We have certainly been trying to ensure that the future model for the NHT does not result in any upheaval of all of those arrangements.

Senator IAN MACDONALD—As to these new arrangements that are focusing on national goals, does that mean the regional approach that has occurred in NHT1 and 2 and in the NAP are now going to be changed?

Mr Borthwick—For some time we have been trying to get the regional groups to focus on national environmental priorities. The process when the regional groups first started off was more of a bottom-up process. Over time we have tried to get them to focus more on wetlands or threatened species or combating salinity et cetera. The incoming government clearly has in mind focusing even more activity on things of nationally environmental significance but also being conscious of a lot of the work that the regional groups and other groups such as Landcare and Coastcare do in particular areas. As to what is the exact balance between the particular activities and the national activities, you will have to wait and see until the government makes an announcement.

Senator IAN MACDONALD—It will be a top-down bureaucratic driven approach?

Mr Borthwick—No.

Senator Wong—That is not what he said.

Senator IAN MACDONALD—That seems to be the opposite to bottom-up, as you said it currently is.

Mr Borthwick—It is getting a better balance. That was the way it was moving, and the government wants it to be given even added emphasis to that movement. A good example is the one that we discussed this morning in terms of the reef rescue package and the role that the regional groups will undoubtedly play in the delivery of that. It is focusing on something that is nationally significant in those six reef catchment areas.

Senator IAN MACDONALD—I guess this is an argument for when we know what the new arrangement is. It is a bit hard to have an argument on hypotheticals. Mr Borthwick, I know that you know, but I am not sure if Mr Garrett would know what happens outside Sydney. I hope in the advice you give to Mr Garrett you will impress upon him the huge importance that these regional groups have played in dealing with regional natural resource issues and the enormous benefit they have brought to Australian biodiversity and landscapes from the work they have done.

Senator SIEWERT—With respect to biodiversity hotspots, is there a list that you were presented with of property purchases to consider? How did the process work? Did the advisory committee advise you on property purchases and then you investigated them?

Ms Petrachenko—Through the delivery agents and the public tender process, we look and see what is available and look at what the contribution to biodiversity is, in discussion with the advisory panel.

Senator SIEWERT—So a list was developed of possible properties?

Ms Petrachenko—Yes.

Senator SIEWERT—What is the status of that list now?

Ms Petrachenko—We are working on finalising the list now, and we will have final decisions before the end of this fiscal year on the allocation of the remaining funds.

Senator SIEWERT—Do you have enough money for the list that you are developing?

Ms Petrachenko—Yes, we do.

Senator SIEWERT—So you have totalled that list for that amount of money?

Ms Petrachenko—We had identified a number of properties, and based on our list we would not have been able to expend the additional \$6 million this fiscal year.

Senator SIEWERT—Based on the current list?

Ms Petrachenko—Yes.

Senator SIEWERT—That is not to say another list could not have been developed to spend that money?

Ms Petrachenko—That is where we are right now.

Senator SIEWERT—But you cannot, because that money has now been cut.

Ms Petrachenko—That is right. We are working now with the \$30 million.

Senator SIEWERT—Is that list available publicly?

Ms Petrachenko—No, not yet. It will be reviewed by the minister.

Senator SIEWERT—When it is reviewed, can it be made publicly available?

Ms Petrachenko—Once decisions are made, they will be publicly available.

Senator SIEWERT—So we are not allowed to see the list that the minister gets. I want to go back to this issue of expenditure on NHT, with respect to the programs that were announced last year for NHT3, I think. Was the stewardship program under the current program or is that for the future program? Are you aware of what I am talking about with respect to the stewardship program?

Mr Borthwick—Yes. We are considering the stewardship program, the NHT program and the Landcare program all as an integrated package.

Senator SIEWERT—I do not have the previous budget document in front of me. Was the stewardship program for beginning expenditure in NHT2 or was it a new program?

Mr Borthwick—It was always a separate element. The administrative expenditure went to the department and was managed by the department, but we were running it in close cooperation with our agricultural colleagues, just like we do with the NHT program.

Senator SIEWERT—Okay, so it was not part of NHT funding?

Mr Borthwick—No. This is a stewardship program which was about \$50 million over a number of years, and the first component of it was focusing on box gum land.

Senator SIEWERT—Yes, that is right. Has that component been funded?

Mr Borthwick—Yes, it has.

Senator SIEWERT—That was for endangered ecosystems, wasn't it, if I remember correctly?

Mr Borthwick—Yes, it was focussing on matters of national environmental significance, and this grassy box gum land was the area that we were looking at first.

Senator SIEWERT—If I interpret correctly what you have just said, and your other comments about refocusing the program, the future of that program is still up in the air. Is that a correct interpretation?

Ms Rankin—The stewardship programs are separate appropriations.

Mr Borthwick—It is a separate appropriation, but we want to look at all these related programs to see if we can get the best value and make sure they are even more closely integrated than they have been before.

Senator IAN MACDONALD—Mr Borthwick, the ANAO report said that 13 regional bodies were close to insolvency. Can you identify those 13? I am not particularly asking you to name them just at the moment.

Ms Rankin—The ones that are most at risk of insolvency are those that trade as corporations, under Corporations Law, so they are set up as companies rather than under state statutory arrangements. As to the jurisdictions in which those bodies currently exist, some of them are nowhere near trading insolvent; they have money not just for 2008 but into 2009 as well. They would be situated in Western Australia and Queensland.

Senator IAN MACDONALD—They would be only in Western Australia and Queensland?

Ms Rankin—That is right.

Senator Wong—As I understand it, if these bodies are not named in the Auditor-General's report, I would be most reluctant for us to identify them through an estimates process. I would prefer that that question be taken on notice, and I am sure you would understand why.

Senator IAN MACDONALD—I made it clear that I was not asking for them to be named, but does the department know who they are?

Ms Rankin—We know the financial situation and the difficulties that most of the bodies are facing, so we have a fairly good understanding of this.

Senator IAN MACDONALD—Do you agree with the ANAO that '30 are an insolvency risk', I think, to quote his words?

Ms Rankin—I have just been advised that the ANAO did not actually make that comment; it came out of the press release at the same time as the ANAO report.

Senator IAN MACDONALD—I thought I was reading from the key findings of the ANAO's report, which states:

Significant delays in payments continue to be an ongoing issue ... These delays have also contributed unnecessarily to an insolvency risk for 13 regional bodies.

This is page 9 of the ANAO report.

Senator Wong—As I have previously indicated, this is a report that relates to the administration of this program under your government.

Senator IAN MACDONALD—I am very well aware of that, but I am not aware of the 13 that are in difficulty.

Senator Wong—Is it 13 or 30?

Senator IAN MACDONALD—I am asking if the department is aware of them. I am not attributing blame to Mr Garrett just yet; although, as I keep saying, the buck stops with Kevin.

Senator BIRMINGHAM—The buck stops with anyone but Mr Garrett.

Senator Wong—The Prime Minister, I think, Senator Macdonald.

Senator ABETZ—Did I hear 13 and 30 as two separate numbers?

Senator Wong—Yes. I am not sure what Senator Macdonald was talking about.

Senator IAN MACDONALD—It is 13.

Senator ABETZ—So, it is 13. The auditor talked about 13, and Ms Rankin also spoke of 13.

Senator Wong—If, Senator Macdonald, you are quoting from a document which you assert is the auditor's report and, as I understand Ms Rankin's answer, her advice was different, could you confirm which page you are looking at and the document to which you are referring?

Senator IAN MACDONALD—Yes. Unfortunately I had the report with me yesterday but not today. At the bottom of the page it says www.anao.gov.au/director/publications/auditreports/2007-2008cfm?item_id=c.

Senator Wong—I have committed that to memory, Senator.

Senator ABETZ—That is a lot clearer now, Senator.

Senator IAN MACDONALD—I assume it is a genuine article and not something someone has sought to mislead—

Mr Borthwick—It is quite clear that we cannot find a reference at this stage to that but, in terms of what Ms Rankin said, the ones that will be more vulnerable are those that are not set up under state statutory provisions, because they effectively—

Senator SIEWERT—How many of those are there? There are none in WA.

Ms Rankin—All the regional bodies in WA, Queensland, NT and the ACT are non-statutory. The NT and the ACT are supported by their governments to some extent.

Senator SIEWERT—Victoria, New South Wales and South Australia—

Ms Rankin—And Tasmania.

Senator SIEWERT—are statutory?

Ms Rankin—That is right.

Senator IAN MACDONALD—They are all state government bodies, using federal money to do state government things—but that is another argument. If the ANAO is aware of a number that are close to insolvency, without identifying them, does that accord with your understanding of a number of these NRM bodies?

Ms Rankin—Our understanding is that the ones that are at risk are obviously those regional bodies operating, as I said, under company law.

Senator IAN MACDONALD—But are you aware of the number? Your answer may be, ‘No, we are not aware of the number.’ I do not take ANAO reports as gospel. In fact, I have some hesitation about them. Unfortunately, I could not go and talk to them about it yesterday. I am not saying they are any wiser than you are; but, if the ANAO thinks that that is the case, I just wonder whether you think there are some that are close to insolvency.

Ms Rankin—Our view is that those regional bodies in states that are non-statutory need certainty of funding as quickly as possible so that they can continue to trade beyond 30 June 2008.

Senator IAN MACDONALD—That is actually where I was leading to. There was an expectation that NHT3 would continue funding to these regional groups. In my state of Queensland, most of the actual operations of the regional groups are being funded by the state government in one of the rare acts of generosity in giving cash rather than this ridiculous ‘in kind’ statement. I am concerned about the future of those people who are employed by those NRM groups, because, obviously at this stage of the game, they are involved in—according to the view of the ANAO’s report and in view of what Mr Borthwick has said—a new top-down approach from the new government. I am sure that a lot of those people would be very concerned about their futures. Is that the impression that you have as well?

Ms Rankin—We have certainly had representations from a number of bodies in Queensland and, in particular, WA, expressing concern about their future. Both Minister Garrett and Minister Burke are well aware of that, and that is sort of leading into their wanting to make a decision on this as a matter of urgency.

Senator IAN MACDONALD—If they are in financial stress, will the government be bailing them out for wages, salaries and termination payments?

Ms Rankin—All the regional bodies are currently fully funded until 30 June, and the intention at this stage is that they will have certainty well in advance of that time to be able to continue operations.

Senator IAN MACDONALD—You do not think any are insolvent at the moment. That is clear from that argument.

Ms Rankin—Based on my understanding, none is insolvent at this stage.

Senator IAN MACDONALD—As I say, I would have an even money bet on your assessment as against the ANAO's. I just got an answer from the department for the estimates of nine months ago in relation to my question about how much cash the state governments actually put in. I do not have the answer with me, but, as I recall, it was said the NAP put in equal cash to the Commonwealth, and for the NHT they put in equal in kind. For the current financial year—and hopefully I can get this answer before nine months elapses; in fact, hopefully we will get it by early April, when the answers are due—could you indicate to me in actual dollar figures what the state governments in all of the states have contributed to the NHT, (a) in cash terms and (b) in in-kind terms, and in relation to (b), could you indicate what in-kind work it was and who actually costed it? I will take your word that in the NAP they gave equal cash. You haven't got those answers?

Ms Rankin—I will have to take that on notice. As the ANAO reported, in a number of cases, there were actually some delays in receiving advice from the states on their cash and in-kind contributions. I do not have a full list of all of those contributions for the current year's budget in front of me.

Proceedings suspended from 3.43 pm to 4.05 pm

CHAIR—We are still on output 1.2.

Senator LUNDY—I wanted to get an update. Labor made a commitment in the election for \$1.5 million to find a sustainable water solution for the National Botanic Gardens. I would like a brief update as to what had taken place to fulfil that commitment.

Mr Cochrane—We are currently working on a feasibility study to cost out the necessary infrastructure to take delivery of water ideally from the lake, so I cannot give you an answer on the costs yet. We are continuing our discussions with the NCA, the ACT government and ACTEW about sourcing water from the lake. That remains complicated but the spirit of the discussions is very positive. But we are not in a position yet to call on that offer. My expectation would be that it would be something well into next year.

Senator LUNDY—I will ask you at the next estimates how it is going.

Ms Rankin—May I take the opportunity to correct the record in terms of my answer to a question before?

CHAIR—Yes.

Senator Wong—This is in response to a question from Senator Macdonald and I do not know whether he is available.

Ms Rankin—We can wait. It is in relation to the reference to the potential for regional bodies to be operating insolvent under the ANAO report. We found the two references to that, on pages 21 and 76. The reference is made in the context of the timing of the release of funds to regional bodies from state agencies, not in relation to the arrangements for Commonwealth funding of regional bodies. It is within the audit report and it does say that they found that:

... overall 13 regional bodies were identified having a significant risk of insolvency based on the timing of the release of ... and delays in the release of funds to regional bodies from state agencies.

Senator SIEWERT—I would like to go back to the Biodiversity Hotspots program again; once or twice is never enough. Can you tell me how properties were identified? From our

previous conversation I may have mistakenly taken the idea that it was the committee that did the process of identification. Is that correct?

Ms Petrachenko—The advisory committee provides advice. The department would look at them as guidelines and criteria for the program set out. We got to the advisory committee for advice and then make recommendations to the minister.

Senator SIEWERT—The issue of not having enough properties to buy concerns not that there are not enough hotspots in Australia; it is perhaps that the department did not find enough properties to spend the money?

Ms Petrachenko—A description would be their guidelines and certain criteria that have to be met. There have to be properties available to be purchased within any given timeframe. Where we are to date is that we have a number that we are recommending to the minister, and that will expend \$30 million over the last four years.

Senator SIEWERT—Is it correct that you did not spend \$6 million? I find it really hard to believe that, if the department had not looked hard enough, it would not have been able to buy those properties.

Ms Petrachenko—You are correct in saying we did not have any properties identified for the other \$6 million.

Senator SIEWERT—So, it is not the case that there are not properties out there; it is the case that the department did not find them?

Ms Petrachenko—We did not have any to recommend. That is correct.

Senator SIEWERT—I wish to go back to the issue of guidelines around the expenditure of money. I apologise that I could not at the time find the piece of paper that I needed. I have now found it. I was given this at Agriculture, Fisheries and Forestry during the last estimates, which was quite a while ago. It relates to discussions that we have had here over a number of estimates, namely, about how decisions are made around investment in NRM, and specifically around SIF—I know we have had those conversations—and the principles communicated in the ministerial meeting on investment in salinity on 20 April last year in Brisbane, that is, principles guiding the development of a future salinity investment program. We were getting slightly confused earlier. Will those investment principles, which have been worked up through a rigorous scientific process, be used to guide investment in salinity; also, will a similar sort of thing be used to guide the investment in NRM?

Ms Rankin—I apologise. I am not fully aware of the guidelines, although I understand from advice from my colleague that you are referring to the Salinity Investment Framework, which was developed under the National Action Plan for Salinity and Water Quality. The whole process we are going through at the moment is to ensure that in designing the new program we take all the learnings that are relevant, the good and bad aspects, from the previous programs and take those forward into how we both structure the program and make decisions underneath it. The level of detail that you are asking for has not been worked out yet.

Senator SIEWERT—Do you know how nervous that will be making people right now who have spent a lot of time developing this and trying to get investment in NRM to the point where we are not wasting it and we do not get another report like we have here?

Ms Rankin—One of the government's key priorities is to make sure that there is not wasted investment and that decisions are made in the most scientifically rigorous and defensible way possible; that we are not throwing money away. They will certainly be taking into account all of that good work that was done under the previous program.

Senator SIEWERT—I suspect I am not going to get much further on that. In view of time, I will move on to National Parks. In relation to the NRS program, I realise I am treading on thin ice here because of the priorities under NHT3, but is it likely that funding for the NRS program will continue at least at its present level?

Mr Cochrane—Unfortunately, that is not a question I can answer at the moment, for all the reasons that have been given before in terms of the components of NHT3. I do understand that the minister does place great stock in the NRS program and what it has achieved, but beyond that I cannot say.

Senator SIEWERT—I will not go over the same issues that we have over ad infinitum at estimates after estimates about the need to increase spending on the National Reserve system if we are going to meet our 2012 biodiversity commitments. Is it the department's estimate that we are likely to meet our 2012 commitments?

Mr Cochrane—The 2010 target?

Senator SIEWERT—The 2010 target. I am sorry.

Mr Cochrane—That is contingent on available funds and, unfortunately, that is a question on which you will have to wait for an answer.

Mr Borthwick—I indicated before that bolstering the National Reserve system is something that Minister Garrett feels very strongly about, but it is being considered in terms of that overall envelope. Again, you will need to wait to see how it is all rolled out.

Senator SIEWERT—I will move on to specific issues around Christmas Island and the expenditure earmarked in the last budget for combating crazy ants. Is that on target and being expended? How is that program going?

Mr Borthwick—The research work that was a primary target of that funding is well underway, but we are a little slow on some of our proposed new approaches to baiting, because we are focusing work on options for new baits. We would prefer to use new more sustainable baits that have lower non-target impacts. We have also been a little delayed by some staffing issues. We lost our conservator on the island a while ago when they returned to the Northern Territory, and so there have been some delays in recruitment. We have had some staffing issues that have slowed things down, but it is certainly picking up speed now. That affected us in the early months of this financial year.

Senator SIEWERT—Is the expenditure on track?

Mr Cochrane—I will have to take that on notice, because I do not have a separate figure for what our expenditure is on the crazy ant component of our budget as a whole. There are a

number of things that make up the Christmas Island budget and the rehab program is a very big chunk of it as well.

Senator SIEWERT—In view of time, I would appreciate it if you could undertake, on notice, to provide us with an update on where the rehab program is at.

Mr Cochrane—Yes.

Senator SIEWERT—Finally, I turn to the proposal for expansion of the mine, which has already been dealt with; the department and the minister said no. Are you aware of any further proposals to expand the mine?

Mr Cochrane—No, I am not. It is currently in the courts and there has been a first set of hearings, which are to be continued next month. The appeal against the decision is still underway and I am not aware of any other application.

Senator SIEWERT—The questions that I have relate to finding out further information about the expansion of the program and whether we are going to meet our targets. Obviously, you are unlikely to be able to answer that if you cannot tell me whether you are going to get any more money to buy any further areas of land, so I will save those questions until May.

Senator ABETZ—What role does the department play in managing our National Parks and World Heritage areas? Do you have an actual day-to-day involvement? I do not want or need a detailed answer.

Mr Borthwick—Mr Cochrane, as Director of National Parks, is responsible for overseeing our national parks. The relationship with the department is that the staff who work with Mr Cochrane are departmental staff, and the appropriation goes through the department. Mr Cochrane has statutory obligations as a director, but he utilises departmental staff in undertaking that activity.

Senator ABETZ—I will interrupt you, without being rude, and try to be as concise as possible. In a former life one of my titles was minister for conservation. Can I flag with you my frustrations with—I will be blunt—the former government as well, with the departmental and intergovernmental relationships in getting proper management of our national parks and World Heritage areas to get rid of, for example, feral pigs out of the Daintree, feral animals, weeds—

Mr Borthwick—These are not parks that we operate; they are state parks.

Senator ABETZ—I cite, for example, the World Heritage agreement with Tasmania for the south-west wilderness. That is our World Heritage; the state government gets funding, does it not?

Mr Borthwick—The arrangement in terms of World Heritage, which is a different part of the department, is that the state governments fund those parks. We have entered into arrangements with state governments to provide funding to meet World Heritage responsibilities over and above what the states would normally fund. Our expectation is that the control of feral—

Senator ABETZ—This is not the blame game of what the states are not doing?

Mr Borthwick—No. This is a long established agreement in terms of the states, and the control of feral species within parks is a normal base funding operation for the states.

Senator ABETZ—I agree. At a future estimates I might pursue that. All I want to do is flag my frustration at the National Park areas and World Heritage areas being locked up to become havens for feral animals, weeds and then ultimately also a bushfire menace. I will not take it any further than that, but I do flag a potential interest at future estimates as to what we are doing about feral pigs, if anything, in the Daintree and feral cats in the south-west wilderness area of Tasmania. I will not delay you any further. Thank you for the indulgence.

CHAIR—Thank you.

Senator SIEWERT—This could be under either output 1.4 or 1.5. In May last year we had quite an extensive discussion about clearing in the Gwydir—

Mr Borthwick—If this is concerning a wetland or Ramsar site, I think that should—

Senator SIEWERT—It is actually clearing.

Mr Borthwick—Output 1.5.

Senator SIEWERT—Thank you. I wanted to check before we moved on.

[4.21 pm]

CHAIR—Now we are moving to Output 1.3, Conservation of the Coasts and Oceans, if those officers could come to the table, please. Senator Abetz?

Senator ABETZ—The *Oceanic Viking* sailed on 8 January this year into our southern waters on a whale watch expedition with one departmental officer on board. When I say 'departmental', I mean from the department of environment. Is that correct? It is no great secret, is it?

Ms Petrachenko—No. Yes, one of my divisional staff is on board the *Oceanic Viking*.

Senator ABETZ—To assist me with the questions, is it a male or a female?

Ms Petrachenko—It is a male.

Senator ABETZ—What are his qualifications?

Ms Petrachenko—He has been working in the marine parks area for a very long time throughout Australia and has extensive experience previously in a marine park dealing with species and ranger responsibilities and the like.

Senator ABETZ—Why was he part of this expedition?

Ms Petrachenko—It is important to have an officer of the department on board who can help familiarise Customs in terms of directing the process for gathering documentation, footage and the like, in terms of what they are actually seeing, and describing the operation.

Senator ABETZ—It is hardly likely, is it, that a Customs officer would mistake a patagonian toothfish for a whale? So what was the exact purpose of having the officer there? What was the actual value-add that he was supplying?

Ms Petrachenko—The value-add is very much to be able to explain to the Customs officers on board the interests that we have as Australia in terms of examining so-called

'scientific whaling'. All of the information that is being gathered will be assessed as well when it comes back. So we wanted to make sure that we had someone there who could say what types of whales they were, which types of picture should be taken, et cetera.

Senator ABETZ—We do not support any whaling, do we?

Ms Petrachenko—Absolutely not.

Senator ABETZ—No. So the type of whale would not necessarily be all that important, would it, to ensure that we get the full range of whales that were being taken?

Ms Petrachenko—We wanted to make sure we took footage in priority areas. There is a difference between humpbacks versus minke versus fin whales, et cetera.

Senator ABETZ—There are stacks of different varieties or species, yes. Who made the decision that this officer should be on board?

Ms Petrachenko—I did, in conjunction with the—

Senator ABETZ—I would have hoped that it would be in conjunction with somebody else.

Ms Petrachenko—Yes. But in terms of identifying—

Senator ABETZ—In conjunction with whom?

Ms Petrachenko—With Customs in terms of assessment. The individual had to be assessed as well from an OH&S, safety, health point of view and all those sorts of things. So we put together people who would meet the qualifications that would be required to be at sea for such a period of time.

Senator ABETZ—Customs officers are normally trained in that, aren't they? For those that man the *Oceanic Viking* that is their day to day task, isn't it, to be at sea in the southern oceans.

Ms Petrachenko—Yes.

Senator ABETZ—Do you know who decided that the *Oceanic Viking* should embark on this trip?

Ms Petrachenko—It was a government decision.

Senator ABETZ—Was it from cabinet or was it from the Minister for Home Affairs? Do we—

Mr Borthwick—There was an interdepartmental committee which was formed—

Senator ABETZ—At whose behest?

Mr Borthwick—At the government's behest and they provided—

Senator ABETZ—Sorry, was it a cabinet decision or a ministerial decision?

Mr Borthwick—It was a cabinet decision.

Senator ABETZ—That Customs be tasked to undertake this venture?

Mr Borthwick—Yes.

Senator ABETZ—Thank you very much for that because the Minister for Home Affairs was not willing to divulge that yesterday at estimates. I would have thought he had nothing to hide. But it was a cabinet decision and then the interdepartmental committee determined which officers would be on board. Did this environmental officer have any legal expertise in relation to the veracity or probity or value of the evidence that was being gathered?

Ms Petrachenko—Yes, he has a background in terms of the EPBC Act and evidentiary responsibilities relating to that act.

Senator ABETZ—Under the EPBC Act?

Ms Petrachenko—Yes.

Senator ABETZ—So, were we going to be prosecuting the Japanese under the EPBC Act?

Senator Wong—You asked Ms Petrachenko a question about a particular officer and I have to say it is unusual for a Senate estimates committee to go into so much detail about a single, specific officer.

Senator ABETZ—I have not asked the name of the officer and I do not want to know the name.

Senator Wong—Okay.

Senator ABETZ—So let us be clear on that.

Senator Wong—You are asking questions about the qualifications of a particular officer?

Senator ABETZ—Yes.

Senator Wong—I think Ms Petrachenko indicated—please correct me if I am wrong, Ms Petrachenko—in response to your question about the officer's previous experience in legal matters she indicated that this officer has had some involvement with EPBC Act measures.

Senator ABETZ—That is right.

Senator Wong—That is as far as the answer went.

Senator ABETZ—The purpose of this venture was what? What was the purpose of the venture?

Senator Wong—The government has made an announcement in relation to various activities both in terms of its monitoring and diplomatic overtures in relation to Japanese whaling. We have made it clear that we are opposed to all forms of commercial whaling and the government is undertaking a range of measures and you are discussing one of them.

Senator ABETZ—Does the government have any idea what it is going to be doing with the evidence gathered? I assume it is not going to be prosecuting anything under the EPBC Act, so what is it going to be doing with the evidence that this departmental official helped to gather?

Ms Petrachenko—Right now the *Oceanic Viking* is on its way back to port. Once the *Oceanic Viking* is back that is when we will have access to all the data, footage and information that was gathered.

Senator ABETZ—It has not been emailed back.

Ms Petrachenko—In terms of the bandwidth that is available and what can come back, all of it will not be back until the ship actually docks. At that point it will be analysed from our perspective with help from Antarctic division scientists as well to have a look at the so-called scientific whaling activities.

Senator ABETZ—The officer is coming back directly from the whale observation exercise?

Ms Petrachenko—Yes.

Senator ABETZ—So the *Oceanic Viking*, to your knowledge, is not going elsewhere on its way back? Having stopped the venture, it is now coming straight back to, I assume, Fremantle?

Ms Petrachenko—It is on its mission back. I think—

Senator ABETZ—Its mission back; that is the trip back?

Ms Petrachenko—But, as you know in all of these situations, it can be diverted for other priorities, enforcement activities, whatever might happen.

Senator ABETZ—Are you aware whether it has been diverted?

Senator Wong—Ms Petrachenko has been extremely helpful to you. My recollection is that the *Oceanic Viking* falls within a different portfolio and, if you have detailed questions regarding the movements of that vessel and the operational criteria which may or may not have affected its movements, I suggest you address them to that portfolio, which I think is in legal and constitutional.

Senator ABETZ—When do you expect your departmental officer back on dry land?

Ms Petrachenko—I have not been informed of that yet.

Senator ABETZ—Thank you very much.

Senator SIEWERT—Are you able to tell us where the evidence has been gathered? Is it in Australian waters or is it in the southern oceans?

Ms Petrachenko—I cannot answer that question at this time.

Senator SIEWERT—You cannot? Are you unable to because you do not have the information or because you won't?

Ms Petrachenko—No, I do not have the information.

Senator SIEWERT—You seem to have quite a bit of information. How involved is the department in the decision making that is going on about the case that is being given serious consideration in terms of legal action being taken but also in the diplomatic work that the government is undertaking?

Senator Wong—Matters in relation to the diplomatic issues, I think, would probably be best addressed to the minister representing Minister Smith and the issues about any possible legal action would be best addressed to the minister representing the Attorney-General.

Senator SIEWERT—Okay. And we will be following it up there.

Senator Wong—I am sure you will.

Senator SIEWERT—This leads me to another question. Who is overall responsible for the coordination of the Australian government's work on whaling?

Senator Wong—Different portfolio, so different aspects of responsibility.

Senator SIEWERT—Who is coordinating that? Is everybody doing their own thing?

Mr Borthwick—If I might ask, who was chairing the IDC?

Ms Petrachenko—The IDC was chaired by PM&C.

Mr Borthwick—I think that is the answer.

Senator SIEWERT—So, PM&C is coordinating the government's response?

Ms Petrachenko—Yes.

Senator SIEWERT—And the department does not know where the evidence that has been collected, of which we have seen the small amount that has been released, has been taken?

Ms Petrachenko—No, I am not personally aware of it.

Senator SIEWERT—Does anybody in the department know? We could be gathering evidence for giving serious consideration to an international legal case and we do not actually know where the evidence is in our waters?

Senator Wong—Given that fact, that the nature of this mission is to gather evidence for scientific and legal analysis, I would have thought self-evidently it would not be appropriate for us to comment or speculate on the evidence that has been collected.

Senator SIEWERT—You can speculate but, surely—

Senator Wong—You can speculate but what I am flagging is that I do not think it would be appropriate for the government or the department to speak.

Senator SIEWERT—Okay. Can you tell me when the boat engaged with the Japanese fleet?

Mr Borthwick—These questions really need to be addressed to Customs rather than to us because it is their vessel; they are managing it.

Senator ABETZ—I have to agree. We were with Customs the other day trying to get information. Can I simply say you guys were a lot more helpful than Senator Ludwig, so I thank you for that.

Senator Wong—I will have to talk to Mr Borthwick about that later.

Senator ABETZ—Sorry to do you in.

Senator SIEWERT—Can I go to the issue of how you engage with the Japanese in terms of dialogue over when they are carrying out the whaling program? I recall from our previous discussions on the Japanese whaling program that they give Australia advance notice, I understand through the IWC process, about where they intend to carry out their next whaling program.

Senator Wong—This is a question to the department about the department's activities?

Senator SIEWERT—Yes. We have discussed these issues previously so I am presuming—

Senator Wong—I just wanted to be clear that this is not the DFAT, the foreign affairs, aspect, that you are asking about? You are asking about this department's engagement?

Senator SIEWERT—Yes. I am just going on the previous discussions that we have had here. We have had previous discussions here about this very issue and I have been told to go and talk in the past about legal issues with AGs but we have had this dialogue before. Can you tell me if they provided the information and, if they did when, to the department about where they would be carrying out their scientific whaling program for this year and have they provided it for next year?

Ms Petrachenko—The way the process works under the International Whaling Commission is that any government wishing to undertake any scientific whaling activities under article 8 would submit their proposed plan to the International Whaling Commission, so it indicates which area of the Southern Ocean they will be in. You will remember that last year they were in the search and rescue area of New Zealand and this year they are in Australia's search and rescue area.

Senator SIEWERT—When did they provide that information?

Ms Petrachenko—That would have been provided at the last IWC meeting, which was in Anchorage in May of last year.

Senator SIEWERT—And they will provide for next season in the forthcoming IWC?

Ms Petrachenko—Yes.

Senator SIEWERT—How specific is the information that they provide?

Ms Petrachenko—It is not very specific at all.

Senator SIEWERT—So they just say, 'We are going to be in this specific region.' Do they give details about how long they will be in the region from when the program starts to when it finishes?

Mr McNee—They generally define the area, but the area is about one-third of the Antarctic coastal area so they are very substantial areas of ocean. They give some detail about the operation will run from December through to late March, April and some indication of the vessels and activities, but no specific details about operational areas or when they will be there and what they will be looking for in a particular area.

Senator SIEWERT—Again, you may say that I am asking the wrong people but I will try my luck. Australia, as I understand it, contributes some resources some of the IWC monitoring that has been going on with the support vessels. Does Australia provide some support for the vessels that are sent down to the Southern Ocean to do some of the scientific work of the IWC?

Ms Petrachenko—I think what you are referring to is the Southern Ocean whale and eco system research project. That is an IWC research project. It is a research project which is non-lethal, so it does not involve the killing of whales.

Senator SIEWERT—I understand that.

Ms Petrachenko—Australian scientists from the Antarctic division are involved through the scientific committee of the IWC in participating and structuring the research program that goes on. There are no Australians on that vessel this year.

Senator SIEWERT—Is there only one vessel that you are aware of?

Ms Petrachenko—Yes.

Senator SIEWERT—What is that called?

Ms Petrachenko—The *Shonan Maru*.

Senator SIEWERT—Are you aware of any other vessels besides the *Shonan Maru* that are down there through IWC sponsored research?

Ms Petrachenko—Other than those that are doing the scientific whaling from Japan—

Senator SIEWERT—Yes, I beg your pardon. The Japanese are doing scientific whaling but there is only the *Shonan Maru* that is in theory down there doing any research at the moment?

Ms Petrachenko—To my knowledge.

Senator SIEWERT—There are no Australians on board that vessel?

Ms Petrachenko—No.

Senator SIEWERT—Has Australia contributed any resources to that?

Ms Petrachenko—We have not contributed other than through how things are funded in the IWC. Each of the 77 countries who belong to the IWC make financial contributions as part of membership and then the budget is divvied up to various projects and programs of work.

Senator SIEWERT—Who will be doing the evaluation of the evidence that has been collected?

Ms Petrachenko—I would assume that that would be the Attorney-General's Department and Customs as well. From an evidentiary point of view—

Senator SIEWERT—You are the marine expert. You are the department that had somebody on board the *Oceanic Viking*. I would have thought that the department would have been involved in actually reviewing the evidence. Is that right?

Ms Petrachenko—We have not got to that stage yet. When the vessel comes back I am sure that the scientist from the Antarctic division as well as our staff will be waiting to see what we are asked for when the ship returns.

Senator SIEWERT—You do not know what evidence has been collected to date; is that correct?

Ms Petrachenko—That is correct.

Senator SIEWERT—And you do not know how you are going to analyse it when you get it?

Ms Petrachenko—We will know when it comes back, yes.

Senator SIEWERT—The evidence that has been collected is video evidence? We have seen a bit of it on TV, so it must have been?

Ms Petrachenko—I cannot comment. I think those questions would probably be better directed to Customs or the Minister for Home Affairs.

Senator SIEWERT—When is the ship expected back? I cannot recall what Customs said about when it is expected back.

Ms Petrachenko—I am not aware of an exact date.

Senator SIEWERT—Is it true to say that until the ship gets back with the evidence that you do not know what evidence there or how it is then going to lead into a legal case?

Ms Petrachenko—No.

Senator Wong—I think the evidence was that the department was choosing not to speculate nor comment on that evidence until it has had a chance to analyse it and decisions have been made about that evidence.

Senator SIEWERT—Thank you. The evidence was also that by the sounds of it that they have not yet thought about how that process of evidence analysis is going to be carried out, whether it is going to be the department or left up to AGs and Customs? That is what I thought I heard. If I did not—

Ms Petrachenko—As the minister said, in terms of speculating on the next steps, I would not feel comfortable doing that at this stage.

Senator SIEWERT—PM&C are coordinating this. Is there then a legal team who is looking at the different alternatives that can be taken in terms of carrying out what the government has made clear is their opposition to Japanese whaling? Is the department part of a team that is looking at a legal case?

Ms Petrachenko—From a legal point of view, no. We are not. It is the Attorney-General's Department.

Senator SIEWERT—And the department is not involved in that at all?

Ms Petrachenko—We are involved in the interdepartmental committee that is chaired by PM&C.

Senator SIEWERT—But that is looking at the overall government approach?

Ms Petrachenko—That is correct.

Senator BIRMINGHAM—It sounds as if my question may best be for Customs as well. Just clarifying though, who is responsible for the release of the footage taken, particularly that which Senator Siewert indicated we viewed on television screened on 7 February 2008?

Senator Wong—We might have to take that on notice. I think—and I place it no higher than that—that that was a decision of the Minister for Home Affairs, but I will let you know if my advice on that is different.

Senator BIRMINGHAM—I have some consequential questions which I will place on notice here and for the Minister for Home Affairs.

Senator Wong—In any event it is not us.

Senator BIRMINGHAM—You are confident it is not you.

Senator Wong—I am told by the officers that that is the case.

Senator ABETZ—Senator Wong did not appear on the evening's media; is that right?

Senator Wong—I think you overstate my media appearances.

Senator SIEWERT—You are taking that on notice; is that correct?

Senator Wong—I think we are saying it is not us.

Senator SIEWERT—It is not you. Okay.

Senator Wong—This is in relation to the decision to the imagery released on 7 February to another department. I have indicated that I believe it is Home Affairs, but I will take advice on that and, if there is anything different, we will come back to you.

Senator BOB BROWN—What is the latest on the status of blue whales?

Mr McNee—The short summary is that the blue whale remains critically endangered and is in single digit percentages of its pre-exploitation population.

Senator BOB BROWN—Does the department have any information to back up news on the international wires that blue whales actually turned up in sushi or on other plates in Japan?

Mr McNee—I am not aware of specific examples recently, but there have been a number of published articles that indicate that some species that normally would not be expected to be taken have appeared on the Japanese market. But it is unclear whether that is as a result of historic storage. We can take that on notice and provide you with that information.

Senator BOB BROWN—Particularly in relation to the blue whale.

Mr McNee—Yes.

Senator BOB BROWN—The current minister has given the go-ahead for sonar testing off Victoria and/or South Australia. Where is the environmental assessment of the impact on the blue whale and other species that preceded that go-ahead?

Senator Wong—My understanding is that this is an EPBC Act question. We can either bring those officers to the table or we can deal with it at 1.5, as we previously discussed. We are in the hands of the committee, Chair.

Senator SIEWERT—I would like to ask my usual question about where we are up to with marine strategic planning.

Ms Petrachenko—In terms of marine bioregional planning, we released the profile for the south-west marine bioregion in November 2007. We are making very good progress there.

Senator SIEWERT—Do you mean that whole region that we have talked about before?

Ms Petrachenko—The south-west, yes. We anticipate finalising the profiles for the northern region and then the east region.

Senator SIEWERT—When is the northern region due?

Ms Petrachenko—Mid this year and around the same time for the east. The north-west will be in the latter part of this calendar year.

Senator SIEWERT—Can you remind me of the boundary for the north?

Ms Petrachenko—For the north it is from the WA-NT border all the way up to the top of Cape York.

CHAIR—Is that it for this output?

Mr Burnett—Senator Brown mentioned sonar testing. I assume you meant seismic testing?

Senator BOB BROWN—Yes, seismic testing.

Mr Burnett—Seismic testing in relation to the Schomberg matter?

Senator BOB BROWN—The blue whale feeding grounds.

Mr Burnett—Off southern Victoria.

Senator BOB BROWN—Off southern Australia.

Mr Burnett—Could you repeat your question for me?

Senator BOB BROWN—Where is the environmental impact assessment that preceded the minister's decision in this matter?

Mr Burnett—The process that was followed was the standard process under the act. The matters were referred to the department.

Senator BOB BROWN—What were those matters?

Mr Burnett—The proposal to conduct seismic testing in that area. Those proposals were received by the department—

Senator BOB BROWN—Just for the committee's aid, who made that proposal?

Mr Burnett—The ones that you are referring to are from Woodside Energy?

Senator BOB BROWN—Yes.

Mr Burnett—They were received by the department as referrals and put out for public comment. The process is that we received some public comments on those referrals. We then took those public comments into account along with scientific advice that was available to us.

Senator BOB BROWN—From whom?

Mr Burnett—From our own experts.

Senator BOB BROWN—From within the department?

Mr Burnett—Antarctic Division experts.

Senator BOB BROWN—Were these experts in seismic testing?

Mr Burnett—They are experts in matters to do with whales generally, cetaceans.

Senator BOB BROWN—Which experts on seismic testing gave you advice on which decision might have been made?

Senator Wong—Are you seeking names of officers in this question?

Senator BOB BROWN—No. I am happy to know that there were experts in this field whose expertise was taken into account.

Senator Wong—Is your question directed to the areas of expertise of the officers who were consulted?

Senator BOB BROWN—Yes.

Senator Wong—Is that right?

Senator BOB BROWN—The question is: were there experts in seismic testing and, if they were from outside the department, who are they; if they are from inside the department, how many were there?

Ms Middleton—In relation to the specific seismic testing in the Otway Basin, which is the Woodside referral, that was assessed against the current seismic guidelines. Those seismic guidelines were developed through an extensive consultation process with non-government organisations, scientists and industry. On the basis of those guidelines we have world's best practice seismic guidelines, against which every seismic referral is assessed.

Senator BOB BROWN—Were seismic experts consulted as part of the assessment of the Woodside application?

Ms Middleton—No. On the basis of the description of the proposal put forward by Woodside and the measures that they were undertaking, they were consistent with the guidelines and we therefore did not need to seek further advice in relation to the specific seismic activity, because it was consistent with the current requirements.

Senator BOB BROWN—But you did consult experts on whales?

Ms Middleton—We checked with the Antarctic Division just in relation to the likely feeding patterns of blue whales in the Otway Basin. The Otway Basin stretches for about 20,000 square kilometres, and the feeding pattern varies across that 20,000 kilometres during a six-month period. We wanted some clarification on the likely timing of the whales being in the area of the Schomberg survey.

Senator BOB BROWN—What was the outcome of that clarification?

Ms Middleton—The outcome was that for a January-February survey they were unlikely to be there, and to date there have been no blue whales sighted.

Senator BOB BROWN—When you say 'unlikely', what did that mean?

Ms Middleton—Generally the whales are located where there is upwelling of krill, and the krill patterns tend to move from west to east across the feeding period.

Senator BOB BROWN—Which is?

Ms Middleton—Which runs from January through to the end of May.

Senator BOB BROWN—Did you expect the whales to be located elsewhere?

Ms Middleton—The whales are most likely to be in the western part of the Otway Basin, and this survey is in the very eastern part of the Otway basin.

Senator BOB BROWN—Did past surveys show that there would not be whales in January or February in the Otway Basin area that was under question?

Ms Middleton—Based on seven years of sighting, which was provided by independent whale experts as part of public comments, and also the Woodside source had indicated they were unlikely to be there during a January-February window.

Senator BOB BROWN—Unlikely means they could be?

Ms Middleton—But unlikely, and so far to date there have been no blue whales sighted. There are specific measures required if a whale is sighted that include power down and shutdown requirements so that the whales remain unaffected.

Senator BOB BROWN—What sighting provision has been made by Woodside to ensure that whales do not come into an area affected by the seismic testing?

Ms Middleton—Woodside is required to follow particular measures if the whales are sighted within three kilometres of the seismic vessel, and they not only have a seismic vessel; they have undertaken to provide three marine mammal observers and one of those is located on a specific spotter vessel.

Senator BOB BROWN—So, the whales will not be affected if they are beyond three kilometres from the seismic vessel?

Ms Middleton—If the whales move within three kilometres there are power down provisions and then finally shutdown provisions if the whales come within one kilometre, which means there will be no effect.

Senator BOB BROWN—If they are beyond three kilometres there will be no effect on blue whales?

Ms Middleton—No, not based on the sound levels, the pops of air that are released from the seismic testing.

Senator BOB BROWN—How has that been established?

Ms Middleton—It has been established through broad research that has been conducted internationally and there is no evidence to indicate—

Senator BOB BROWN—On blue whales?

Ms Middleton—No, not on real whales but on marine mammals.

Senator BOB BROWN—What is the state of knowledge on blue whales?

Ms Middleton—Specifically on blue whales?

Senator BOB BROWN—Yes.

Ms Middleton—I would need to take that on notice and check with the Antarctic Division for you.

Senator BOB BROWN—I would appreciate it if you would. Can you inform the committee as to what the actual experience is of such seismic testing on blue whales per se?

Ms Middleton—We are not aware of any specific testing where they have actually tested on whales themselves but there has been extensive research observing whale behaviour in the proximity of seismic vessels.

Senator BOB BROWN—Blue whale behaviour?

Ms Middleton—I would have to confirm that for you.

Senator BOB BROWN—I would appreciate it if you could do that. The department's assessment is that beyond three kilometres this seismic testing would have zero effect on blue whales?

Ms Middleton—Yes. That is our understanding.

Senator BOB BROWN—And what is the requirement on Woodside to keep a watch-out for whales coming within three kilometres of the seismic vessel?

Ms Middleton—Woodside is required to have qualified marine mammal observers in place at all times while the vessel is operating.

Senator BOB BROWN—Does that assure a three kilometre—

Ms Middleton—Yes. It means that, if a whale is sighted within three kilometres, they have to then go through their mitigation procedures as required by their approval.

Senator ALLISON—I have a question about the projects included in the conditions on the dredging approval, and the \$500 million for management, monitoring and/or improvement of the Port Phillip Bay western shoreline and Bellarine Peninsula Ramsar site. Did the department have a hand in advising on this condition?

Mr Burnett—Yes.

Senator Wong—I will attempt to facilitate that. Mr Borthwick tells me Ms Middleton may be able to assist you. As I understand it, the projects referred to are a subset of EPBC Act approval.

Senator ALLISON—Yes. That is correct.

Senator Wong—We were considering these would come under 1.5.

Senator ALLISON—I am not going to the question of the EPBC.

Senator Wong—They are projects, as I understand it, that were a subset of the EPBC Act approval.

Senator ALLISON—That is correct. That is not what my question is about, if you would let me finish.

Senator Wong—I am just indicating that we can assist with this in output 1.5.

Senator ALLISON—I understand. Is this management, monitoring and/or improvement of those areas something which the federal government was previously funding or who was responsible for that management and monitoring?

Ms Middleton—It is routine practice under EPBC Act assessments to seek advice from the recovery planning area of the department and also from our wetlands Ramsar area. We sought advice from them on what might be suitable contributions or assistance to support recovery

activity, and it was part of discussions with them that led to discussions with the Victorian government that confirmed that as a condition.

Senator ALLISON—What rationale did you provide for these programs? I did put a question on notice asking this, without getting very far. Is this a secret?

Mr Early—As you know, this decision is subject to court action. As to any consideration of reasons for the decision or reasons for the condition, we can provide the minister's statement of reasons, but at this stage we would have to seek information from the minister were we to answer those questions.

Senator ALLISON—This does not have anything to do with the court action.

Mr Early—Yes, it does because it goes to the conditions that have been imposed. It is part of the conditions imposed as part of the approval.

Senator Wong—Under the EPBC Act.

Senator ALLISON—I see. Is that going to be the answer to any question on dredging?

Mr Early—Any question that goes to issues that are currently before the court.

Senator ALLISON—When we get to the EPBC finally is that going to be the answer, that you cannot answer this because it is subject to a court case?

Mr Early—It depends on what the question is. If it goes to issues that are currently before the courts, then I am afraid that will be the answer.

Senator ALLISON—Is there an issue before the courts about the management, monitoring and/or improvement of Port Phillip Bay western shoreline and Bellarine Peninsula Ramsar site?

Mr Early—No. There is an action before the courts about the approval and the conditions attached to that approval. The issue that you raised is one of the conditions attached to the approval.

Senator ALLISON—So, I am not able to ask you the current status of the Bellarine Peninsula Ramsar site and how much the Commonwealth is contributing to programs to preserve and protect that site? Is that right?

Mr Early—That is a different issue.

Senator ALLISON—That is the issue I am asking about. I am not asking about the conditions per se. This came out of the blue and I want to know whether the Commonwealth is currently funding any programs already there. This might allow me to make a judgment about whether this is going to simply swap over from what the Commonwealth is currently spending on this site. Maybe this is a question for EPBC. Will that site be impacted seriously to the extent that \$500,000 will matter?

Senator Wong—I would appreciate it if you could repeat the question you want answered.

Senator ALLISON—Does the Commonwealth have a fund and does it have an interest in the Ramsar site on the Bellarine Peninsula—the protection thereof in the normal course of work?

Mr Borthwick—It would be best to take it on notice. To the extent that the Commonwealth is involved in Ramsar sites, it is one of the Water Divisions and so it would be under outcome 3.

Senator ALLISON—We have Ms Middleton at the table, who has already indicated that she was the one who gave advice as to this condition.

Mr Borthwick—No. That was with respect to the EPBC Act determination.

Senator ALLISON—Ms Middleton does not know whether the Commonwealth has any programs on that Ramsar site at the present time?

Senator Wong—You would be aware that there are many officers in the department and there are very many different programs this department is responsible for. The secretary has indicated that in relation to Commonwealth funding of the Bellarine Peninsula wetland he will take the question on notice.

Senator ALLISON—I find this hard to believe. There is obviously a lack of coordination if Ms Middleton is working on a project and giving advice over these wetlands but is not able to tell me whether the Commonwealth already has some sort of protection program there.

Senator Wong—The question is, over and above the conditions of approval under the EPBC Act, is there any further Commonwealth support or funding for the Bellarine Peninsula wetland?

Senator ALLISON—That is correct.

Senator Wong—Have I articulated it correctly?

Senator ALLISON—That is right. I also notice from the minister's answer there is a strategic management plan for that Ramsar site.

Mr Borthwick—Yes. Management of Ramsar sites is undertaken by one of the Water Divisions. This is not within Ms Middleton's purview, which relates purely to the conditions attached to the EPBC Act. When it comes to the Water Divisions, they will be able to hopefully answer your questions about Ramsar wetlands.

Senator Wong—If Dr Horne is listening, I am sure he can take on notice that question and come prepared.

Senator ALLISON—I am sorry to be pedantic but for this advice why did you not go to that officer instead of Ms Middleton?

Senator Wong—Because that is in outcome 3. As we have indicated on a number of occasions, Ramsar wetlands comes under outcome 3.

CHAIR—I understand. I have to say other senators have had their questions about water issues including Ramsar, so it is referred to outcome 3. We will deal with that when we get there. Are there any other questions for Output 1.3? If not, thank you to those officers. We will now move to Output 1.4.

Senator ALLISON—Sorry, I just noticed one of the other conditions relates to Australian grayling and there are similar provisions, mapping, important habitat, et cetera. Does the same question apply? Is this also water and not—

Mr Borthwick—Yes. It was a condition subject to the approved—

Senator ALLISON—I would hate to get there and be told it was your department.

Mr Borthwick—Yes. It was a condition of the channel deepening approval process which is before the courts, so we are unable to comment on that.

[5.06 pm]

CHAIR—We will now move to output 1.4—Conservation of natural, Indigenous and historic heritage.

Senator BOB BROWN—I wanted to ask about the assessment of the Indigenous heritage in forest areas in Tasmania, including the Huon Valley. What assurance does the Commonwealth have that that assessment is done before logging operations, including roading in new forest areas, occur? If that assessment is done to the Commonwealth's satisfaction, how is it that logging operations intruded into cave systems bearing Indigenous heritage in the Huon Valley?

Mr Hooy—The issue around conservation of Indigenous heritage in production forests in Tasmania is covered by a number of codes developed by the Tasmanian Forestry Commission and endorsed through the RFA process.

Senator BOB BROWN—Yes, and I am saying that that code has not prevented the intrusion of logging operations into Aboriginal heritage. I will put it this way: why was that intrusion not prevented? What is the Commonwealth's safeguard that Aboriginal heritage is in fact discovered and protected before logging operations create damage to it?

Mr Hooy—We are advised that there has been some impact on Indigenous heritage within heritage sites under the control of the Commonwealth. We have called the Tasmanian government and asked for an explanation. In terms of operations in forestry land in Tasmania outside of the Tasmanian Wilderness World Heritage area, this division at least has no direct control through the EPBC Act.

Senator BOB BROWN—Is there anywhere else in Australia where Indigenous heritage is outside the control or protection of the Commonwealth?

Mr Hooy—Indigenous heritage normally is under the control of state governments, either Indigenous departments or the actual heritage body in that state. For example, in Victoria—

Mr Bailey—The primary responsibility for Indigenous heritage protection resides in states and territories. There is a secondary protection that can exist where a place is listed for national or World Heritage values that include Indigenous heritage values. The third one that has a Commonwealth role is only a safety net provision under the Aboriginal and Torres Strait Islander Heritage Protection Act. But the primary responsibility for the protection of Indigenous heritage resides in a state or territory.

Senator BOB BROWN—Does that safety net provision come into play where it is patently clear that state or territory administrations have failed to protect heritage?

Mr Bailey—Only subject to an application by an Aboriginal person under that legislation.

Senator BOB BROWN—Has that provision been exercised?

Mr Bailey—No.

Senator BOB BROWN—What section of the act does that come under?

Mr Bailey—That is under the Aboriginal and Torres Strait Islander Heritage Protection Act.

Senator BOB BROWN—Thank you very much.

Senator SIEWERT—You mentioned the act. My understanding from the last time we had a debate in the chamber about the act when the last lot of amendments came through is that the department was undertaking a review of the act. It was an internal review, I recollect.

Mr Hooy—That is correct.

Senator SIEWERT—Can you tell me where that is up to, please?

Mr Bailey—Certainly. The department is reviewing the Aboriginal and Torres Strait Islander Heritage Protection Act, just to be clear. We have an interdepartmental committee that is reviewing that. We have conducted a series of preliminary consultation with state and territory agencies who have the primary responsibility for the protection of Indigenous heritage values.

Senator SIEWERT—When did you start the review process, when do you expect to finish it and have you consulted with Aboriginal members of the community?

Mr Bailey—The process started in late 2006. We have conducted a series of consultations already with a number of key Indigenous organisations, not all.

Senator SIEWERT—You said ‘the agencies’ before, so I wanted to clarify that.

Mr Bailey—There are both state and territory agencies that manage Indigenous heritage and with a number Indigenous representative bodies, and we will conduct further consultation anticipated in the course of this year.

Senator SIEWERT—When do you anticipate finishing? It just seems to be taking a rather long time.

Mr Bailey—Yes. We anticipate progressing the review through the course of this year.

Senator SIEWERT—With a finish date of?

Mr Bailey—These are matters that will need to be discussed with the new minister as well, so we are just at that stage.

Senator SIEWERT—Do you anticipate that the study will be released for public comment?

Mr Bailey—That would be a matter that we will have to discuss with the new minister.

Senator SIEWERT—Are the terms of reference of your review publicly available?

Mr Bailey—As we stated at the last estimates process, it is an internal within government review and, subject to the approval of the new minister, we will take the course of action that is appropriate.

Senator SIEWERT—It is a process that I will follow up with the minister. Thank you.

Senator ABETZ—I just have two areas and I hope I am in the right area. I want to take you to Christmas Island. I understand the previous minister blocked a proposal by Christmas Island Phosphates to mine 270 hectares of rainforest.

CHAIR—This is 1.5.

Senator SIEWERT—That was your government.

Senator ABETZ—I know.

Senator SIEWERT—It was one of the things that we supported that your government did.

Senator Wong—I am at risk of having to eat my words about the immigration.

Senator ABETZ—No. Before all the hilarity starts in fact a current Labor minister opposed that and I am exploring that area. Should I be asking about this in 1.5? I am happy to.

Senator Wong—We are happy to facilitate, Chair.

Senator ABETZ—I have been directed earlier but that is fine. So tell me—

Mr Borthwick—Just a clarification, in terms of the decision of the former minister vis-a-vis Christmas Island: that decision of the former minister is subject to a court case and we will hence be very limited in what we can say about that, the same as we could not answer Senator Allison's comments vis-a-vis the Port Philip Bay—

Senator ABETZ—I just want to know whether the minister can tell us whether that issue has been resolved within the Labor Party ministry, because Mr Garrett indicated that Mr Snowdon's undertaking would be ditched. I just want to make sure that Mr Snowdon has been buried on this one. That is all I want to pursue. I do not want to go into the court case.

Senator Wong—I think that was a comment rather than a question, was it not?

Senator ABETZ—No. Well, sorry, one minister has said the mining ought to go ahead. Another minister says it should not go ahead. Which view has prevailed?

Senator Wong—I will take that question on notice.

Senator BOB BROWN—All right. It saves me coming back under 1.5.

Senator Wong—As I understand it, Mr Borthwick has indicated, though, that that decision is the subject of legal action.

Senator ABETZ—I understand that but I do not want to go there. I just want to know what the policy decision of the government and whether Mr Snowdon won the day—although surely you would have to give Mr Garrett a win every now and then. Let us move on to—

CHAIR—We are still on Output 1.4. Are there any further questions.

Senator BOB BROWN—The World Heritage area, you are quite right, comes under the aegis of the Commonwealth and so do putative World Heritage areas—as you will know—under the World Heritage Convention. The Huon, Weld, Styx and Florentine Valleys—although maybe not the Styx but Florentine Valley—as we know, have been subject to a request to Australian authorities for assessment for inclusion in the World Heritage area. Why has no action been taken by the Commonwealth to ensure the protection of Indigenous sites in these forests under that power and that authority?

Mr Hooy—The issue of protection of Indigenous sites outside the World Heritage area, as I have said, is primarily one for Tasmania.

Senator BOB BROWN—Can I just ask you again, because the World Heritage Convention requires states—signatories—to protect areas which are of putative World Heritage value.

Mr Hooy—I understand that.

Senator BOB BROWN—The World Heritage authorities have asked the state of Australia to assess these areas with a view to protection, because they have putative World Heritage value. Why has action not been taken to prevent damage to Aboriginal heritage in these sites while that assessment is taking place?

Mr Hooy—I am not sure they actually asked the Australian government to undertake an assessment.

Senator BOB BROWN—They have.

Mr Hooy—They have asked the Australian government to report on a number of, as you put it, putative values outside the World Heritage area. The Commonwealth has prepared a report for the World Heritage Committee, which we submitted on 1 February this year.

Senator BOB BROWN—Can this committee have a copy of that report?

Mr Hooy—Yes, it is on the department's website. We will get you the details.

Senator BOB BROWN—Let me go back a step. The World Heritage Bureau has asked for the areas that I spoke about to be assessed and it is up to it to make a deliberation on the advice of the Commonwealth. In the meantime, logging has occurred, for example, in the Huon Valley and damaged cave systems which contain Aboriginal heritage. Why was no action taken to prevent that happening while this assessment that you are talking about was done?

Mr Hooy—I am not aware of any damage that has occurred. I am aware of damage to petroglyphs adjacent to the World Heritage area but I am not aware of any evidence of damage to Indigenous sites in cave areas.

Senator BOB BROWN—I ask through the minister that you do an assessment of the Huon River sites where logging has ceased because of the impact on Aboriginal sites there. Maybe you could come back to me after that with an answer to the question I am putting to you.

Mr Hooy—I am happy to do that.

Senator BOB BROWN—By the way, on the petroglyphs sites that you referred to, why was no police investigation undertaken?

Mr Hooy—I am advised it is a matter of state responsibility.

Senator BOB BROWN—Do you know of any other situation in Australia where Aboriginal rock carvings have been deliberately vandalised, including by chiselling swastikas across them, and no police investigation took place?

Mr Hooy—I am not aware of any circumstances. I am not aware of whether or not a police investigation took place in Tasmania.

Senator BOB BROWN—It did not, but I am asking, if I may through you, Minister, why the department is not aware of that and how can it be that in this circumstance the Commonwealth has taken no action?

Senator Wong—Is your question in relation to whether or not the Tasmanian police undertook any investigation?

Senator BOB BROWN—No, I am saying that the Tasmanian police undertook no investigation.

Senator Wong—I understand that is what you have indicated. As I understand Mr Hooy's evidence, that is not a matter that he has responsibility for or direct knowledge of.

Senator BOB BROWN—I will ask you, Minister: will you investigate the destruction of petroglyphs—this is ancient rock art in the Tarkine region—including by chiselling of swastikas on it in the last couple of years where no police investigation took place to see what action Commonwealth authorities can take in the matter?

Senator Wong—I will take that question on notice. I am not aware of the issues you raise.

Senator BOB BROWN—I understand that. But you will understand the gravity of it.

Senator Wong—I do not think anybody supports swastikas being chiselled anywhere, do they?

CHAIR—Are there any further questions for 1.4?

Senator ABETZ—If I may. This is for World Heritage listing but it is not within Australia. Does that fall within your jurisdiction, albeit that it is, I understand, an Australia nomination? I talk of the Kokoda Track.

Mr Hooy—Dr Greg Terrill has recently returned from Papua Guinea. He may be able to help.

Senator ABETZ—Hopefully very helpful. There was an article in the *Canberra Times* of 15 February 2008, page 5. It happens when you get into opposition, you are reduced to reading the *Canberra Times* from time to time. The article states, 'PNG landowners extend Kokoda blockade; plan anti-Rudd protests.' What stage are we at with the nomination with the Kokoda Track?

Mr Terrill—At the outset you mentioned Australia had proposed the nomination of Kokoda Track. That is not correct. Papua New Guinea had put Kokoda, together with seven other places, on its tentative list, which it submitted to the World Heritage Centre in mid-2006. PNG did that of its own volition. The Australian government was not involved in that process and indeed discussions within PNG on putting Kokoda and other places on its tentative list go back towards a decade.

Senator ABETZ—The Indigenous community is asserting that the Prime Minister is now telling the PNG government what to do.

Mr Terrill—The Australian government has made it clear over the past 12 to 18 months that for the government it is a priority to protect the historic values of the track but that clearly this is within Papua New Guinea and it is a decision for Papua New Guinea how to conduct itself.

Senator ABETZ—Have we lent any support to the PNG government for the nomination to show them how it is done and provided expertise, or were you just on a holiday in PNG?

Mr Terrill—In July last year, the secretary of their Department of Environment and Conservation wrote to the secretary of what was the Department of Environment and Water Resources here in Australia seeking assistance from Australia to help with the preparation of the nomination.

Senator ABETZ—Have we done that?

Mr Terrill—Early in August we responded that we would help and in a small way we have been doing that. I say in a small way; there has not been a great deal of progress from the PNG side. There has not been a great deal of activity, but there have been ongoing discussions about it, yes.

Senator ABETZ—Let there be no doubt. I hope that we can protect this track. It is very important, I would have thought, that we bring the local indigenous people along with that decision and for whatever reason, right or wrong, it appears that they are blaming the Australian government for what is occurring and for the potential lack of royalties, so I am just wondering what actions, if any, Australia is taking to alleviate what may be a misapprehension to restore the relationship with the indigenous people. If Australians are going to walk the track, one would hope and assume that the local indigenous people would welcome Australians walking that track and having it protected as heritage and not see it as a huge opportunity lost to them for the reasons explained in this article.

Mr Terrill—I agree entirely with that. Over the past several years through AusAID the Australian government has provided a number of projects in the area to help particularly with, for example, water supply. We are looking at continuing those sorts of things in the future—water supply, education, small community projects for revenue generation and so forth, health projects as well, that sort of activity—as well as progressing the trekking side so that hopefully there is a greater return to locals through those sorts of activities. There is the possibility of World Heritage nomination which would in itself increase tourism in the future. There are a series of steps to take to try to make the track viable for locals and for the PNG government in general, the PNG society—

Senator ABETZ—I wish you all the best in your endeavours.

Senator Wong—The Prime Minister, both when he was Leader of the Opposition and subsequent to the election, has made it clear the priority he and the government afford to the present protection of the Kokoda Track—

Senator ABETZ—Everything is a priority for this government. We have been through this.

Senator Wong—It is something that he has made a number of statements on. And you may or may not be aware that we are very clear that we are committed as a government to working

with the PNG government to achieve protection of the track. You may also not be aware that the Prime Minister did meet with the PNG Prime Minister, Mr Somare, in Bali when he was there.

Senator ABETZ—I do not think there is any difficulty in relation to the government-to-government relationship on this, it is more what the perception is of the local indigenous people who I think are, if I am correct, equally critical of both their national government and the Australian government. I wish Dr Terrill all the best, him and other officers who will be working to try to resolve this for a good outcome.

Senator SIEWERT—Can we move on to Ningaloo? Can you update me as to where we are with progress towards nomination of Ningaloo, please?

Mr Bailey—We have got to the point that Ningaloo is running concurrently. The department is working with the Western Australian Department of the Environment and Conservation to ensure the preparation of a nomination for World Heritage submission. There is a lot of work still to go on that but the intent is that the nomination would be lodged with the World Heritage Centre by 1 February 2009 for consideration in June or July 2010. The second component is that there is a nomination to the National Heritage List for Ningaloo Cape Range and Exmouth Gulf. That is currently being considered by the Australian Heritage Council. That is in their work program and is being considered. On 10 and 11 December last year we conducted a series of consultations in Exmouth with the community to help progress the National Heritage List assessment.

Senator SIEWERT—Did you say December?

Mr Bailey—Yes, 10 and 11 December 2007.

Senator SIEWERT—Did you say Exmouth, sorry?

Mr Bailey—That is right.

Senator SIEWERT—For the national heritage assessment?

Mr Bailey—Yes.

Senator SIEWERT—And that has now gone to the council?

Mr Bailey—It has been in the council's work plans since 1 July 2007 and it is currently being progressed by the council.

Senator SIEWERT—When do you expect to get an outcome from that process?

Mr Bailey—Council has on its work plan until 30 June 2009, from memory, to complete that assessment?

Senator SIEWERT—Can you correct me if I am wrong? You cannot be nominated to the heritage list under the Australian process until it has gone under the National Heritage List; is that correct?

Mr Bailey—That is not technically correct. It is a general principle. In the preparation of that protocol in 2004 when it was prepared, it noted that Ningaloo would not necessarily be tied by that in its own right. But it is a general principle, not a rule.

Senator SIEWERT—Have you determined boundaries on the nomination to World Heritage list or is that still under consultation?

Mr Bailey—It is still under consultation for consideration between the two governments.

Senator SIEWERT—You do anticipate meeting the 1 July deadline next year?

Mr Bailey—The first of February?

Senator SIEWERT—I beg your pardon, sorry.

Mr Bailey—That is still our intent.

Senator SIEWERT—The directive that was given by the minister two ministers ago, Senator Campbell, that no work will be progressed because of the issues around pastoral stations; is that now not an issue? What is being done over that issue?

Mr Bailey—It is government policy that there is a commitment to proceed with the Ningaloo nomination and we are proceeding with the Ningaloo nomination.

Senator SIEWERT—So that is now in force?

Mr Bailey—We are proceeding with the preparation in conjunction with the Western Australian government of the nomination and we will obviously conduct further discussions with landholders and other people affected by nomination going forward as part of the preparation of the nomination. That consultation is a requirement of the operational guidelines for the preparation of any nomination.

Senator SIEWERT—When will the boundaries that you actually propose nominating be available?

Mr Bailey—We have still got work to do with the Western Australian government before we can announce that, so I cannot give you a definitive timeline.

Senator SIEWERT—Do you anticipate it will be months?

Mr Bailey—I would imagine it will still take some time because the preparation of nominations tends to be an iterative process between defining the values and refining the values and looking at where they sit in relation to a boundary.

Senator EGGLESTON—Have you had a formal process of consultation with the station owners along the beach there, because there has been a long history of conflict over this issue of national heritage listing and some of the station owners in that area of the Ningaloo Reef going down towards Carnarvon. Do you know of any resolution, an agreed position, reached with the state government over that particular group of people's interests?

Mr Bailey—I can advise that on 10 and 11 December we met with the catchment authority through that region, including the pastoralists, who were all invited, all falling within the National Heritage List nomination. Those adjoining the coast were represented at that meeting. We met and explained the entire process through on that. We are still in this iterative stage in terms of defining the boundary but we did conduct that consultation back on 10 December, from memory.

Senator EGGLESTON—Their concern appears to be how deeply into their stations the listed area goes. Is it likely there will be a variation in the proposal with respect to the eastern boundary?

Mr Bailey—That iterative process is still looking at where the values lie and where the boundaries should be joined in relation to that. I should also note that out of those consultations there are varying views within the pastoralists on those boundary issues as well. So there is not one single view of all the pastoralists.

Senator EGGLESTON—Is there an appeal mechanism available for pastoralists if they disagree with a finding?

Mr Bailey—There is still to be conducted for the National Heritage List assessment the owner and occupier consultations, which are a written part of the statutory process, and they will be conducted. Once they are finalised that information will be put before the minister to help the minister take the decision on listing.

Senator EGGLESTON—But then is there any mechanism for appeal?

Mr Bailey—There is judicial review provided for under the EPBC Act.

Senator EGGLESTON—Are the appeals through the Administrative Appeals Tribunal?

Mr Bailey—No, the mechanism is judicial review.

Senator EGGLESTON—Which is all about process but not necessarily about the outcome. Thank you.

Senator BOB BROWN—What facility is being afforded by the Commonwealth to the World Conservation Union experts that are coming to assess the impact on World Heritage valued forests all in the World Heritage area of logging operations in Tasmania?

Mr Hooy—We are in contact with the World Heritage Centre about the visit. They propose to come from the 17th to the 21st of next month. We have had a number of conversations with the centre and with the members of the monitoring mission individually to determine what they wish to see and to try and line up some duck at long distance, which has been quite complex. But I think we are now pretty close to having a draft agenda.

Senator BOB BROWN—What are those ducks?

Mr Hooy—We have three very busy people all coming from different corners of the globe, all having different commitments at different times of the year so we have now finally settled on a particular window of opportunity which is, as I have said, the 17th to the 21st and we are now negotiating with the Tasmanian government about an agenda for the monitoring mission.

Senator BOB BROWN—How well advanced is that?

Mr Hooy—We have a draft agenda that we have developed ourselves. I do not think we have yet put that to the Tasmanians but that will only be a day or so away. Following discussions with the Tasmanians we will put that back to the mission just to make sure that they are happy with that and that it includes the consultations with the very stakeholders that they expect.

Senator BOB BROWN—Is that a seven- or a 10-day period?

Mr Hooy—It is only about four days on the ground. It is quite intense.

Senator BOB BROWN—How many of those four days on the ground will be in the forests that are being noted?

Mr Hooy—From memory, two full days on the ground. There is an additional day of meetings with NGOs and other parties. As well as that, some of that on-ground time will also include meetings with NGOs on site.

Senator BOB BROWN—Is the Commonwealth actually hosting this?

Mr Hooy—Yes. Under the convention and the international rules of protocol—Dr Terrill is more the expert on this than I am—we are the hosts.

Senator BOB BROWN—Is the minister meeting the—

Mr Hooy—We hope that the minister will meet.

Senator BOB BROWN—When you say ‘on the ground’, do you mean that the group will actually be in the wild forests that are being—

Mr Hooy—Yes. The intention is that there will be some fairly intensive helicopter flights over the World Heritage area but also over the production forests on the east.

Senator BOB BROWN—When you say ‘production forests’, what do you mean by that?

Mr Hooy—Areas where forestry is occurring adjacent to the World Heritage boundary.

Senator BOB BROWN—These forests are of putative World Heritage value too, aren’t they? They are not just production forests; they are putative World Heritage value forests?

Mr Hooy—If you say so.

Senator BOB BROWN—I will. What is the process following the report? How will the report be made back to Paris and then to Canberra?

Mr Hooy—I stand to be corrected by Dr Terrill but, at the end of the monitoring mission, they will write a report and that report will be considered by the World Heritage Committee at its meeting in Quebec in July of this year.

Senator BOB BROWN—When you say that NGOs will be meeting, I presume this means that there are not going to be corporations and other production forestry entities involved?

Mr Hooy—In some of the meetings?

Senator BOB BROWN—Yes.

Mr Hooy—Yes, there will be. The centre has been quite clear that it wants to meet all parties with an interest. I am only talking about a draft agenda at this stage but in terms of a preliminary meeting with NGOs we are looking at two hours with environmental NGOs, if I can use that term, and two hours with broader community interests.

Senator BOB BROWN—What does that mean?

Mr Hooy—People who are involved in the forestry industry—

Senator BOB BROWN—The logging industry?

Mr Hooy—The logging industry, that is correct.

Senator BOB BROWN—Broader community interests involves environmentalists.

Mr Hooy—I stand corrected.

CHAIR—If that is all the questions for Output 1.4 we will move to Output 1.5.

[5.40 pm]

Output 1.5—Response to the impacts of human settlements

Senator BIRMINGHAM—I refer to the decision of the government regarding the phasing out of plastic bags. You are shaking your head. It is not for this output?

Mr Borthwick—It is this output. Ms Harwood will deal with plastic bags issues.

Senator BIRMINGHAM—When was the decision taken to phase out plastic bags?

Ms Harwood—The Environment Protection and Heritage Council, the environment ministers' council, has had plastic bags as an issue since 2002. In 2006 they decided to move to a phase-out when voluntary measures had not reduced bag use by the 50 per cent that they had hoped for.

Senator BIRMINGHAM—In 2006?

Ms Harwood—And in 2007 they reaffirmed their commitment to phasing out plastic bags.

Senator BIRMINGHAM—A deadline has been set now; is that correct?

Ms Harwood—Yes, it is by 2009.

Senator BIRMINGHAM—When was the 2009 deadline set?

Ms Harwood—That has been in place for quite some time as the date to have effect by.

Senator BIRMINGHAM—Was there anything new Minister Garrett's announcements on or about 10 January this year, anything that had not actually already been approved by the ministerial council?

Ms Harwood—His comments were in alignment with what the ministerial council has said that it intends to do.

Senator BIRMINGHAM—So there was nothing new to the phase-out arrangements taken? There were no new decisions taken either by the minister, the cabinet, the government or the ministerial council that had not already actually been taken?

Ms Harwood—The minister was referring to the process that is happening in the council of state and Commonwealth environment ministers. They have yet to take the decision on how the phase-out would be achieved.

Senator BIRMINGHAM—Sorry, what was the last part of that?

Ms Harwood—The EPHC, the Environment Protection and Heritage Council, has yet to take a decision on how the phase-out of plastic bags will be achieved. It is on the agenda for their meeting in April this year. The minister was referring to that process in his comments in the media.

Senator BIRMINGHAM—Has the minister put forward any public plans for how that will be achieved?

Ms Harwood—The minister, like other ministers, is waiting to see the results of what has been quite a complex consultation and analysis process on the plastic bag issue. At the April meeting ministers will be looking at a regulatory impact statement that analyses a number of options for dealing with plastic bags, their costs and benefits, and basically presents the facts for the ministers to make a decision.

Senator BIRMINGHAM—Within that regulatory impact statement consideration of the 2006 Productivity Commission report and its findings on plastic bags and their impact on greenhouse gas emissions will be considered?

Ms Harwood—The issues that the Productivity Commission referred to are canvassed in the regulatory impact statement, yes.

Senator BIRMINGHAM—And despite those findings which would suggest that a phase-out could have negative impacts on greenhouse gas emissions, there is a commitment to see that phase-out undertaken regardless?

Ms Harwood—There is a very comprehensive analysis in the RIS that looks at the environmental issues surrounding plastic bags as well as seeking to cost the various options for intervention. They are not all regulatory intervention; the option is being considered. But it goes into a great amount of detail about the various options for dealing with bags and the issues surrounding them.

Senator BIRMINGHAM—Does the government desire to see all states adopt a uniform approach?

Ms Harwood—Yes. The ministers are seeking to have a harmonised national approach because of the effect on the market, to look for a consistent way of dealing with it across Australia.

Senator BIRMINGHAM—Does it look like you will be successful in having a harmonised national approach given at present it would appear as though some states, and my own state of South Australia leaps to mind, appear to be jumping forward with their own plans, proposals or regulatory solutions ahead of any regulatory consideration by the ministerial council.

Ms Harwood—I am not aware of any state planning to intervene prior to the April EPHC meeting.

Senator BIRMINGHAM—You are not aware of any decisions by the South Australian government to set its own mandated phase-out date?

Ms Harwood—Some states have particular policy positions on the issue but there is a will amongst the jurisdictions to look for a consistent approach.

Senator BIRMINGHAM—That will do on that one for now. Thanks, Ms Harwood. I might return to that. Do you wish to jump in?

Senator ABETZ—Yes, on plastic bags, if I may. Just so we are completely clear when we are talking about plastic bags, we are talking about only those plastic bags that are, for want of a better term, carry bags from supermarkets, or is there going to be a larger definition of ‘plastic bags’?

Ms Harwood—The definition is focused on lightweight single-use bags with handles at the point of retail sale, so supermarkets, newsagents, fruit shops, et cetera.

Senator ABETZ—It just seems to me, for example, that in Australia we must go through I do not know how many single-use plastic bags for bread, for example, whereas in countries like France you buy your bread with a little bit of wax paper wrapped around it and no plastic bags. Hence I wonder whether the department, when pursuing this, considered other areas where the use of plastic bags might be able to be curtailed.

Ms Harwood—Many of the other plastic bags for instance used in supermarkets are used for health and safety reasons to separate meat products or chemicals or things of that sort.

Senator ABETZ—I understand that that is the argument and that is how they came into use, but I remember as a kid the bread vendor would walk around with his open basket and hand over the loaf of bread at the door or put it in a box without being wrapped in plastic and there were not any health consequences. In France today, they tell me, that that occurs without any health consequences. Is it a health imperative or a plastics industry imperative that we have all this bread wrapped in plastic?

Ms Harwood—To my understanding in terms of when you are buying loose produce or meats or things where the product needs to be separated from other things in the shopping, it is about health and safety. For instance, in other countries where there has been action on plastic bags such as Ireland, there are express exemptions for plastic bags used for those purposes.

Senator ABETZ—There has been a large push, and I think it is a very good push, that there be permanent bags used and I think the department has been involved in promoting, what do we call them, green bags.

Ms Harwood—Reusable bags.

Senator ABETZ—The vast majority of those are made out of plastics as well, are they not, and polyesters?

Ms Harwood—Polypropylene.

Senator ABETZ—How biodegradable are they?

Ms Harwood—In lifecycle terms, because they can be used over many, many times and they can be recycled, their environmental impact is less than single-use plastic bags.

Senator ABETZ—How many single use plastic bags, the ones we are talking about, would go to make up one of these long-life carry bags?

Ms Harwood—I would have to take that on notice, if you want a direct comparison.

Senator ABETZ—If you could I would be interested.

Senator Wong—Your question was how many single-use plastic bags would go for—

Senator ABETZ—Into the making of one of these polyester long-life carry bags.

Ms Harwood—They are made separately.

Senator ABETZ—I know that. But we are still talking about non-renewable resources that will take a long, long time to be degrading within the environment. Could you tell me what

the length of life is of those non-renewable carry bags, because there are some made out of jute or sack material that is natural fibre, and of course they would be different.

Ms Harwood—But the real lifetime for both the plastic bags and the polypropylene, the green bags, is not known because both of them have only been in use for a relatively short while.

Senator ABETZ—Do we have any idea what the length of life—

Ms Harwood—Pessimistic estimates would say that plastic bags could last for up to 1,000 years but it is not—

Senator ABETZ—What is the pessimistic analysis for these long-life carry bags?

Ms Harwood—I do not know.

Senator ABETZ—Can you take that on notice and see if there is any advice? I suppose the only other thing I would say is that if people were to start using paper again, like supermarkets used to have, you would have a genuinely renewable product that was biodegradable, is that right?

Ms Harwood—Not quite, in that the actual environmental impact of paper bags used at the checkout is greater. The environmental impact on a lifecycle basis is greater for paper than it is for the reusable green bags because you have to take into account multiple use et cetera. We did some work on this a couple of years ago. We could provide details of that to you.

Senator ABETZ—But you would agree that paper bags are better than the one-use plastic bag from an environmental outcome?

Ms Harwood—I think it depends on manufacture and sourcing and the source or the production of the bags.

Senator ABETZ—You are saying that a non-renewable resource such as these polyester bags leaves less of an environmental footprint than a paper bag?

Ms Harwood—The footprint is smaller because the bag can be used so many times over, but we can provide some information to you.

Senator ABETZ—What actual scientific analysis has been done, and I do not need the answer for that now, given the time constraints but I would be very interested in the scientific references to that if you can take that on notice.

Senator KEMP—I would like to pursue a couple of very brief points. I know that time is on the wing. Perhaps this is more for Senator Wong, but is it the government's position that this can be done in a cost-neutral way for consumers, is that right?

Senator Wong—I understand that the election commitment is to the phase-out of free single-use plastic shopping bags by 1 January. Ms Harwood has indicated that this is a matter that will be discussed at the ministerial council and I suggest the design of how this election commitment will be implemented is an issue that obviously will be made clear subsequent to that council.

Senator KEMP—It is very nice to discover that there is an election commitment which no one knows what the cost will be to consumers in a period when we are very worried about

consumer prices and when we hear from the government every day about inflation and working families, and fair enough. But we now have an election commitment which someone apparently decided to put into the platform and no one knows what the costs will be and no one knows how it is going to be implemented. There has been, as Senator Wong would know, a Productivity Commission report dealing with this issue. All the options that I see in the report say that there will be substantial costs, is that correct?

Ms Harwood—There are four options being considered by the council in April. They are, first of all, a litter amelioration strategy, so it just focuses on increased activity addressing the litter problem specifically, banning plastic bags outright, applying a mandated retailer charge, which is a charge that the retailers must make visible for the bags and that they retain. The fourth option is a Commonwealth levy on plastic bags.

Senator KEMP—The first option does not in fact meet the commitment that Mr Garrett has made, does it?

Ms Harwood—It goes some way towards it but it would not—

Senator KEMP—Yes, but let us be honest, it does not ban the use of plastic bags, does it?

Ms Harwood—No.

Senator KEMP—In actual fact I think if that was the decision it would mean that the government would not be able to keep the election promise because the election promise, as I understand it, is to ban the use of plastic bags.

Senator Wong—That is a proposition. I do not think it is appropriate that the officer be asked to agree or disagree with your hypothesis. That is a matter for you. I am sure you can prosecute that issue elsewhere. The information I have is that the commitment was to the phase-out. I am sure others will tell me if that was not the wording used, but that is the election commitment I have advice on. As I said, I understood the officer at the table to be indicating that decisions about how to implement that first will be considered by the Environment Protection and Heritage Council and then be subject to a decision by government. Is that correct?

Ms Harwood—Yes. The ministers will make—

Senator KEMP—I do not want to speak at cross purposes here, nor would I want to cause any embarrassment to the officer at the table. The question is: is the government's commitment to phase out the use of all plastic bags? Is that the commitment or not?

Senator Wong—Free, single use.

Ms Harwood—Single use, yes.

Senator Wong—Free, single-use plastic shopping bags.

Senator KEMP—It is going to phase them out. I think we can draw conclusions that options 1 and options 4 that are being considered by the council do not in fact achieve that goal, from what I can work out, because they would not phase them out. What worries me is the lack of understanding about the particular costs. Have you costed each of these models?

Ms Harwood—Yes. There has been substantial work done to model the costs and benefits and in particular for the costs looking at the impacts on retailers, on consumers, on

government and on the community generally. The regulatory impact statement that will be before ministers has an analysis of that and a comparison of the relative costs of the different options. That document is still being finalised at this point in time.

Senator KEMP—So there are of course costs with each option, essentially.

Ms Harwood—Yes there are.

Senator KEMP—Ultimately those costs, presumably one way or another, will be passed on to consumers, is that right?

Ms Harwood—Depending on how the options are implemented.

Senator KEMP—I just make the point that it is a bit of a pity that a policy has been developed with no particular understanding of how it could be given effect to and which we have been told by the Productivity Commission involves substantial costs. Nothing has been said here, I must say, that gives me any comfort that that is not the case.

Senator Wong—My recollection is that previous ministers indicated some support for a phase-out. Do I understand the opposition's position is now contrary to that?

Senator KEMP—In fact, I think someone quite close to me in a sibling sense of the word was probably—

Senator Wong—I was not going to go there.

Senator KEMP—He used to get regular press on the plastic bags issue but I think that no-one has—

Senator Wong—I am just trying to discern if this is a Senator Kemp position or—

Senator KEMP—No-one has quite gone as far, I might say, as Mr Peter Garrett and no-one of course had at that stage a major report from the Productivity Commission which showed the additional cost. But let me conclude there.

Proceedings suspended from 6.00 pm to 7.06 pm

CHAIR—I apologise for the delay. We are on output 1.5.

Senator ABETZ—I have a few questions. In relation to the pulp mill at Maryvale in Gippsland I understand an assistant secretary, policy and compliance branch, made a decision on 24 August 2005; is that correct? Do we know what decision I am talking about?

Mr Burnett—I am not personally aware of that. I will ask Mr Flanigan, who previously had that title, if he is aware of that.

Senator ABETZ—I have no idea whose signature that is. It is worse than mine so I cannot identify the person. I am wondering if you could tell us about the approved dioxin discharge from that particular mill? I understand it is, what, measured in picograms?

Mr Flanigan—That is my signature on the decision.

Senator ABETZ—My apologies for those comments. It is a very good signature and you are to be commended on it.

Mr Flanigan—I am afraid as it was in 2005 my recollection of both the decision and the details is very, very sketchy.

Senator ABETZ—I can understand that. I am wondering from that if you could indicate what dioxin level discharge rate was acceptable in relation to that mill?

Mr Flanigan—No, I cannot recall that detail. We would have to go back and check the files. The decision is a multiple action decision so in general terms that means the decision that I would have made would be that the impacts of the proposed mill were not likely to have a significant impact on any national matters of environmental significance.

Senator ABETZ—Yes. Does that highlighted area assist you as to what levels were deemed appropriate?

Mr Flanigan—The area that you have highlighted says, ‘Dioxins 2378TCDD equivalent of less than 20 parts.’ I am not sure what the parts are, but that was the maximum limit. The decision would have been that that level of potential impact was not likely to have a significant impact on threatened species.

Senator ABETZ—Yes.

Mr Flanigan—That may well have been that the locality itself did not contain any threatened species in relation to national environment issues.

Senator ABETZ—Can you recall where it flowed in to?

Mr Flanigan—No, not off hand.

Senator ABETZ—And where it ultimately discharges to?

Mr Flanigan—Not off hand, no. I would need to check the records.

Senator ABETZ—You cannot recall that?

Mr Flanigan—We handle some several hundreds of referrals a year.

Senator ABETZ—You can take that on notice. Can you confirm that the, for want of a better term, picogram level output for the proposed Tasmanian pulp mill that has been approved is substantially less than that which was approved in 2005 for the Maryvale Mill?

Mr Burnett—I can give you the actual numbers for the Gunns mill. I would need to compare it with that other information. I do not know whether I could tell you on the spot how the two interrelate. Of course furans are related to dioxins in the Gunns authorisation, and these are figures for a monthly average effluent concentration. There is a trigger level of two picograms TEQ per litre and the maximum limit of 3.4 picograms per litre.

Senator ABETZ—That is right. For those of us who do not know what picograms are, in a total annual output if you were to put all those picograms together, what would you get? Would it be something the size of a grain of rice? And don't tell me about different sizes of grains of rice and that they can vary.

Senator Wong—They can.

Senator ABETZ—Thank you. That is very helpful intervention—long grain, short grain.

Senator Wong—There are very different sorts of rice.

Senator ABETZ—In very rough terms, a kernel of rice or a kernel of wheat?

Mr Burnett—I do not have sufficient expertise to go to that fine level, but it is a small amount.

Senator ABETZ—It is a very small amount.

Mr Burnett—Even on an annual basis it is a small amount.

Senator ABETZ—You would not dispute that it would be the size of a grain of rice or even two grains of rice, but it is in that very small—

Mr Burnett—It might be 10 grains, but it is a small amount.

Senator ABETZ—Before you commit yourself to such a huge figure can I suggest you take that on notice.

Mr Burnett—All right.

Senator ABETZ—The advice I have is that it is in fact only one grain of rice. I look forward to getting the answers on notice, and the quicker the better. But the purpose of this exercise is that the Maryvale Mill will have a discharge rate of dioxin multiples higher than that of the Gunns pulp mill and, given all the circumstances and lack of protest about the Maryvale Mill, it makes for a very interesting comparison.

I would like to ask a further question on the approvals for the mill. As I understand it the chief scientist and his panel of six—

Mr Burnett—The independent experts?

Senator ABETZ—Yes. They gave the report and then they wrote out, for want of a better term, the conditions.

Mr Burnett—If I can go back a bit, we talked firstly in terms of the lead-up to the former minister's decision, Minister Turnbull's decision. We had advice from the chief scientist and his panel.

Senator ABETZ—That is right, and then a decision was made to approve.

Mr Burnett—Yes. The decision was made. And then one of the conditions of that decision was that Gunns should prepare an environmental impact management plan.

Senator ABETZ—That is right.

Mr Burnett—Minister Turnbull also established a group called the Independent Expert Group, which is a successor group of scientists to the chief scientists group as it were.

Senator ABETZ—And has that remained in place for the change of government?

Mr Burnett—That has been in place.

Senator ABETZ—No change in personnel?

Mr Burnett—No change since the change of government, and pursuant to their role they have provided the minister with advice on the first two modules, as they are known, under the EIMP. You may know that under the Gunns's approval there is provision for Gunns to submit this plan on the EIMP in modules, 16 modules in all. Two modules have been approved to date by the minister.

Senator ABETZ—So how many?

Mr Burnett—Two. A third is currently under consideration. So the modules that have been approved to date, the first one is an overview module, which is just a general description of the plan and how it is put together. The second module relates to site clearance, so Gunns now has approval to go ahead with site clearance. The third module, being the one currently under consideration, relates to bulk earthworks on the site and that is currently being considered by the department. It will then go to the independent expert group and then the minister will have advice from both the independent expert group and the department.

Senator ABETZ—Since the approval by Minister Turnbull has the new minister made any further or new requests or sought further information beyond the stipulations imposed by Minister Turnbull?

Mr Burnett—In the course of considering those first two modules that I referred to, the minister sought some further factual information.

Senator ABETZ—In what areas?

Mr Burnett—Generally in relation to aspects of the plan relating to road kill management. Gunns provided further information and the modules were subsequently approved.

Senator ABETZ—So was that the only area?

Mr Burnett—Yes. There may have been some minor queries about other matters.

Senator ABETZ—I would appreciate if you could take that on notice if there were. I do not want to delay the committee further tonight.

Mr Burnett—From recollection the road kill was the only substantive matter.

Senator ABETZ—I was made aware of that road kill situation, which I understand has now appropriately resolved itself.

Mr Burnett—Yes.

Senator ABETZ—All the best with the ongoing approvals. Thank you very much.

CHAIR—Senator Siewert.

Senator SIEWERT—I would like to firstly clear up a matter. Are we doing the wetland clearing here or in water?

Mr Burnett—We are happy to take questions to the extent that the questions relate to the administration of the EPBC Act. We will do our best to answer your questions.

Senator SIEWERT—I appreciate that. We did have a lengthy discussion at the last estimates if you recall. That was almost immediately after the clearing incident in New South Wales that I am talking about.

Mr Burnett—Yes. I was not in this position at the time.

Senator SIEWERT—We, collectively, I meant.

Mr Burnett—Ms Rankin was in the job at the time.

Senator SIEWERT—Yes. That is right. My understanding is that there are two levels of this. I am aware that there is further court action now being taken by the New South Wales government. Is that correct?

Mr Burnett—I am not sure about the New South Wales government. Firstly, I should clarify: are you talking about land clearing adjacent to the Gwydir wetlands?

Senator SIEWERT—Yes.

Mr Burnett—In that case we have sent a brief of evidence to the Commonwealth DPP in relation to land clearing adjacent to those wetlands. I am not sure whether New South Wales has taken any action but I will ask Mr Matthew whether he is aware of any New South Wales action.

Mr Matthew—New South Wales is in a similar position to ourselves in the process of having a brief of evidence adjudicated.

Senator SIEWERT—Thank you. I am presuming that it is inappropriate for me to continue to ask you questions about that specific case?

Mr Burnett—That is correct.

Senator SIEWERT—What I would like to follow up is at the time we had a complicated discussion about when the Commonwealth first knew, when states get applications in and when they notify the Commonwealth about applications. Do you recall that?

Mr Burnett—I have read the transcript and I think the gist of it was whether there was any obligation on the part of New South Wales to tell us and the gist of the answer was that we have an assessment bilateral agreement with New South Wales under the EPBC Act and under that assessment bilateral there is a general commitment to cooperation. And in fact we do have very good cooperation from the New South Wales Department of Environment and Climate Change in relation to this matter. But the other point made in the previous estimates was that there is no legal obligation on the part of New South Wales to tell us if they become aware of facts that may constitute a breach of Commonwealth law.

Senator SIEWERT—Or any other state. It is not just New South Wales.

Mr Burnett—That is right. It is the same position nationally.

Senator SIEWERT—That is my next question. Is there consideration being given to actually require that notification?

Mr Burnett—Not currently.

Senator SIEWERT—It would seem to me that would be a much better functioning of the act if they were required to. I will not repeat the long conversation we had last time but it would be so that you do not have to wait to be told if the process breaks down because they did not have to tell you.

Mr Burnett—Yes.

Senator SIEWERT—It seems to be much better that they are required to tell you.

Mr Burnett—That is a policy matter. I do not know if I should make comments on whether a particular proposed course would be a good idea or not.

Senator SIEWERT—I do appreciate that. I will try to rephrase the question. Has there been any discussion around that? So I am not asking for your opinion.

Mr Burnett—No, not that I am aware of.

Senator SIEWERT—I will follow that up with the government. I have other questions in this area but off the clearing issue.

CHAIR—Do you have any questions on this issue?

Senator IAN MACDONALD—I have EPBC questions

Senator SIEWERT—I have EPBC but not about the specific issue I am talking about right now, which is the clearing.

Senator IAN MACDONALD—No, I do not have those. I am happy to do my Traveston stuff.

Senator SIEWERT—I would like to do that too. It is your state, so you go first.

Senator IAN MACDONALD—Thank you. Can someone tell me where we are at with the EPBC approval in relation to Traveston Crossing Dam?

Mr Burnett—The minister has a bilateral agreement with Queensland under the EPBC Act. The affect of that bilateral is that we have accredited the state assessment processes. So that means there is a joint assessment of that proposal, and indeed most proposals in Queensland, so Queensland is undertaking that assessment. You may be aware that it has been out for public comment and the public comment period is now closed. The next step for Queensland is that they need to analyse all the public submissions. I think the number they received is in the order of 17,000. So there are a large number of public submissions to be analysed. When that is completed they will provide us with an amended environmental impact statement for the minister's consideration and to include responses to, or address the issues raised in, public consultation. The Commonwealth minister then needs to reach his own decision about whether to approve it under the EPBC Act.

Senator IAN MACDONALD—As I understand it, it is not the practice or intention of Commonwealth officials simply to accept the Queensland assessment, although it is a joint assessment, without independent oversight of that assessment. Is that correct?

Mr Burnett—That is correct.

Senator IAN MACDONALD—You will do your own audit and oversight process of whatever Queensland comes up with?

Mr Burnett—Yes. There are several specific stages to that. We provide input into the initial terms of reference of the environmental impact assessment. We provide our own comments on the draft document, sometimes at several stages. We sometimes commission a separate expert advice on particular aspects, and in the Traveston case there are several aspects where we have commissioned our own independent advice, which is just available to us. And then at the end of the process we provide advice to the minister on, in this case, whether the Queensland assessment is adequate and provides him with sufficient information for him to make an informed decision. If he forms the view that this is not sufficient information to make an informed decision, then he has the capacity to seek further information.

Senator IAN MACDONALD—The independent assessments that you are doing quite separate from Queensland, and I certainly do not want to raise anything that might adversely

impact on your process or your ability to get an accurate income, is that public? Can you tell me who it is? As I have said, I do not want to upset the process. I would rather not know than upset the process.

Mr Burnett—If you can excuse me for a minute. I am looking for the detail here. One of the areas that we are commissioning some work on relates to hydrology. I will ask Ms Skippington if she can assist me here.

Ms Skippington—We have engaged one hydrologist who is currently employed and looking at the hydrological modelling that has been presented in the EIS. We also propose to employ, and are currently in the process of employing, someone who can look at the species matters so that we can get an independent review of the information that is provided in the EIS about the potential impacts of the inundation on that species.

Senator SIEWERT—How many fall under the EPBC?

Ms Skippington—There are a number under the EPBC, but there are three that have been given a lot of media attention.

Senator SIEWERT—Yes, you are right.

Senator IAN MACDONALD—Will those assessments be made public in due course?

Mr Burnett—I do not think that is the normal practice. When we commission advice that is not part of the EIS as such, my understanding is that we would commission it for the purpose of providing advice to the minister rather than releasing it. Mr Early has told me that we usually release it after the minister's decision.

Senator IAN MACDONALD—That will be excellent. I am pleased to hear that. Do you have some estimate of the time of the process? To look through 17,000 objections seriously would take many, many months.

Mr Burnett—It is basically up to Queensland.

Senator IAN MACDONALD—I appreciate that.

Mr Burnett—They need to take however long they need to take. We would be expecting it roughly speaking in two to three months time, but it is up to Queensland when they feel that they have completed their work.

Senator IAN MACDONALD—One would think that if they could seriously consider 17,000 objections in two to three months then they have not really looked at them.

Mr Burnett—I cannot comment on that. We will form our own view once we receive the documentation.

Senator IAN MACDONALD—I am pleased to hear that. If they do assess—assuming that a lot of them are not just pro forma assessments, and I am sure there will be some of them—I know, from what people have been copying to me, there are a lot of serious, very detailed and learned objections to the process. There were as you know many serious concerns from people about the EIS process and the closing date, time allowed and all that sort of stuff, which I think was extended for a small period of time.

Mr Burnett—That is right. It was extended to 14 January.

Senator IAN MACDONALD—Yes, over the Christmas period, which again makes one wonder about the seriousness of the Queensland government. But I am pleased to hear that you are taking this approach, because it is almost like Caesar appealing to Caesar. Whatever you call them, it is really the Queensland government appealing to the Queensland government on whether the Queensland government has done the right thing by the Queensland government. So it really does need an independent assessment. I must say I was disappointed the previous minister did not take a slightly different approach and did not include stages one and two. Is it too late for the minister now to include stages one and two in the EIS process? I suppose it is, isn't it?

Ms Skippington—I believe so. Stage two has not been referred because it is not a proposal at this stage.

Senator IAN MACDONALD—I do not want you to give me legal advice but I think I regret to learn that the Commonwealth minister's decision on what he has to decide under the EPBC is not a disallowable instrument. Is that your understanding of the act?

Mr Burnett—That is right. It is not a decision of a legislative nature. Disallowable instruments must be instruments of a legislative form, such as a regulation.

Senator IAN MACDONALD—Are you aware if the Commonwealth minister will involve the parliament in any way before he makes a determination?

Mr Burnett—The process under the act does not provide for involvement of the parliament. Can I just make a small correction on that number? I said '17,000'. My brief says 'greater than 15,000', so I was slightly out on that number.

Senator IAN MACDONALD—What is a couple of thousand when it comes serious objections? That is all I had for the moment.

Senator SIEWERT—On the same issue I would like to ask questions around the audit over the conditions on the Paradise Dam. Can you tell us where you are up to with that?

Mr Burnett—The audit has been completed. We have briefed the minister. He has considered it. There are now several steps that will take place. We will put a summary of the audit on our website. That is our usual practice. That will occur this week. We then put the results of the audit into our compliance process to determine whether there are any matters that require further follow-up. We have a compliance committee that looks at the results of audits and matters that come in to us—allegations of breaches of the act and so on—and we form a view as to whether something needs to go forward, whether it is the assembling of evidence for a prosecution or whether we should recommend to the minister that conditions of an approval be varied. In many cases with audits, of course, everything is in order and no further action is required. So we will now formally consider the outcomes of that audit and whether there is any further action that should be taken.

Senator SIEWERT—Thank you. Do you then make a formal announcement around what action will be taken?

Mr Burnett—No, we do not.

Senator SIEWERT—You then just carry out whatever action is required?

Mr Burnett—That is right. We do look to improve the general administration of the act. We are still in relatively early days of audits. For example, in the last financial year there were only four audits done but this year, with the increased resources that we have available, we are expecting to do in the order of 20. Often when we do these audits there are learnings from the audits that help us to enhance the general administration of the system. It is not just a question of whether there is a breach or a variation is required to a condition of approval; it could be that there is a type of situation here and we can improve our administration in certain areas, so we try to pass the learning back into the system as it were.

Senator SIEWERT—I want to come back to Mary River in a minute, but on the audit process generally: will it be public who you are auditing? Will there be a list of projects that you will be auditing? Will that be publicly available?

Mr Burnett—We do not routinely release the audit program but since we post the summaries on the internet you can tell after the event whom we have audited.

Senator SIEWERT—I would like to quickly go back to that; I am aware of the time and I have still got a number of other issues to touch on. In terms of the consultancies, the commissioning of work, there is the hydrology and the species list. They are the two commissionings of work that you are undertaking. When you are talking about the hydrology, will it be your intention to look at the hydrology of the wider catchment?

Ms Skippington—Yes. It is off the hydrological modelling that is in the EIS so that is looking at the catchment.

Senator SIEWERT—You will be aware that there is some dispute between the community and the government.

Ms Skippington—Yes. We are aware of the dispute.

Senator SIEWERT—Is it looking into that issue as well?

Ms Skippington—Not currently, but we will be.

Senator SIEWERT—So it is intended that it will?

Ms Skippington—Yes.

Senator SIEWERT—Thank you very much.

Senator IAN MACDONALD—Are you finished with Paradise Dam?

Senator SIEWERT—I am off Paradise Dam. I am on Traveston.

Senator IAN MACDONALD—You did ask about Paradise.

Senator SIEWERT—Yes. For us it is all connected.

Senator IAN MACDONALD—Of course it is. Can I just go back and ask a question on Paradise?

Senator SIEWERT—Yes.

Senator IAN MACDONALD—That audit came in as I recall a few weeks before the election, didn't it?

Mr Burnett—I do not think that it came in during the election. The audit visit, the on-the-ground work, was done back in July. It was then finalised over the next few months but there was a bit of a delay into January that was not connected with the election. It was because there were some last minute representations from the body that runs the dam and so we delayed finalising the audit in order to—

Senator IAN MACDONALD—That sounds ominous. I had an impression that we were still in parliament when we were told that it was about to be released ‘next week’, while we were still here before the election.

Senator Wong—On the Paradise Dam?

Senator IAN MACDONALD—Yes, on the Paradise Dam.

Mr Burnett—I am not aware of any statement that was made while parliament was still sitting. The minister’s office made a comment in a media item in January but I cannot recall anything being said while parliament was sitting.

Senator IAN MACDONALD—I am talking about the previous minister, of course.

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

Senator IAN MACDONALD—Could you just take on notice when you actually received the report? Who did the audit?

Mr Burnett—Our own officers did the audit.

Senator IAN MACDONALD—I assume you sent a draft copy of that to the defendant—that is, the Queensland government—for their comments before you did a final report.

Mr Burnett—I will ask Mr Matthew to respond. Before I do that, I would not describe them as ‘the defendant’; this is a routine audit and we are not targeting them for prosecution or anything.

Senator IAN MACDONALD—You remember the audit really arose out of the Senate inquiry into the Traveston Dam. When we were cross with you for not doing an audit, you told us you did not have the resources. Then, I think, in the last budget you got the resources, so you were probably going to do it anyhow, but I do think the Senate inquiry into the Traveston Dam hurried you along to that one first. That was because there were a lot of allegations made in the Senate inquiry into the Traveston Crossing Dam that the conditions had been breached. So perhaps my use of ‘defendant’ was a bit flippant, but I could certainly use ‘respondent’.

Mr Burnett—I will ask Mr Matthew to respond to that.

Mr Matthew—In relation to how the audit was selected, it was actually drawn out of a random pool of projects, and that was one of the—

Senator IAN MACDONALD—I beg to differ on the evidence you gave to the Senate inquiry, but, anyhow, carry on.

Mr Matthew—The material that I have seen on file indicates it was a random audit. In relation to the actual process, it is common practice in these sorts of audits to provide draft

findings at two stages: one at what is called the close-out interview, at the end of the field visit, and the second one as a report is drafted, and that is what occurred in this case.

Senator IAN MACDONALD—So it was after that that the respondent, the Queensland agency in charge of Paradise—is that SunWater?

Mr Matthew—It is actually Burnett Water Pty Ltd.

Senator IAN MACDONALD—It is a Queensland government corporation. Following that they obviously did not like what you had said and they came back and made further submissions to you.

Mr Matthew—I cannot comment on whether or not they liked it, but certainly the acting CEO of Burnett Water Pty Ltd sought to provide additional information that had not been provided by the other officers that we had been dealing with earlier in the process.

Senator IAN MACDONALD—I do not recall you giving evidence to the inquiry, but some of your colleagues did and I think they gave a commitment at the Senate inquiry that when the resources were available Paradise Dam would certainly be one. Your comment was that it was drawn out of a hat; can I suggest that you might check that with officers—

Mr Matthew—I will check and, if I am in error, I will certainly get back to you.

Mr Burnett—We certainly would not want to mislead you, Senator, so we will take it on notice and check. If we have misled you, we will correct the record.

Senator IAN MACDONALD—I am just horrified at the thought that it may not have been drawn out of a hat before you had to see how the Queensland government might react to any conditions you might impose should the minister happen to approve the Traveston Crossing Dam. That is why I would be concerned if it were just drawn out of a hat. That being the case, the reason you conducted the audit, apart from it being a random audit on all of these things, was that there were many complaints from members of the public, which were repeated in the Senate report, I think. Senator Siewert, do you remember? I think it might have been a recommendation of the Senate inquiry report that that—

Senator Wong—Senator Macdonald, the officers have given you their evidence about the way in which the audit was selected. You have a different view and I understand that Mr Burnett and Mr Matthew have taken that issue on notice.

Senator IAN MACDONALD—Just let me finish the question. It arose because members of the public complained. Do those who were the chief complainants get a copy of the draft report, as Burnett Water Pty Ltd got a copy of the draft report, for further comment?

Senator Wong—You are suggesting in that question that the officers have agreed on why the audit arose. That is what I took issue with because that issue, as I understand, Mr Burnett has taken on notice.

Senator IAN MACDONALD—If you had received complaints about a particular project that was subject to conditions and you then did an audit and, rightly, as is normal practice, showed a draft copy of the audit to the one being investigated, would you also show a draft copy of the report to those who may have complained and may have, by complaining,

initiated the thing—you are not saying they did, but in a hypothetical situation? That is really my question.

Mr Burnett—Rather than hypothetically, perhaps we can answer the question in terms of what is our normal practice. I will ask Mr Matthew to answer that.

Senator IAN MACDONALD—Yes.

Mr Matthew—Our normal practice is to deal with the proponent that we audited. They are the only people who receive a copy of the draft audit report and they have the opportunity to comment on the draft audit report.

Senator IAN MACDONALD—Can you also check whether it was a recommendation of the Senate inquiry? I could do it and tell you, but you might as well do it yourself.

Mr Burnett—We will check.

Senator IAN MACDONALD—Sorry, Senator Siewert.

Senator SIEWERT—I had actually finished on the Mary River. I would like to talk about the Kimberley.

Mr Burnett—I will ask Mr Flanigan to join me at the table. I think you are aware of Mr Flanigan's involvement.

Senator SIEWERT—Yes. Could I ask for an update of the timeline. The announcement has now been made about the strategic assessment process. Could we have an update on the timetable of when things are going to happen? I understand terms of reference for the review are going to be released for public comment.

Mr Burnett—That is right; the next step in the process is for the draft terms of reference to be released for public comment. That will be done by the Western Australian government by agreement, and we are anticipating that will happen shortly—we are hoping this weekend.

Senator SIEWERT—So it is going to be released by the WA government?

Mr Burnett—Yes.

Mr Flanigan—By the EPA.

Senator SIEWERT—I understand that the Commonwealth and the state carried out community consultation prior to announcing the strategic assessment process. I also understand, because I know lots of people in the Kimberley, that you consulted fairly widely in the Kimberley; is that correct?

Mr Burnett—Yes. Mr Flanigan was involved in that consultation.

Mr Flanigan—The process to get us to the point of signing the agreement has been principally a process of negotiation between us and the Western Australian government. As part of that the Western Australian government, through the Northern Development Taskforce, has been largely handling consultation with community groups and the like on the ground. But we did have a process whereby we attended and briefed a workshop in Broome back in the late part of October last year which was quite heavily represented by Indigenous people and community groups up in the Kimberley. We discussed with them then the prospect of the

agreement and the sorts of things we were looking towards. Ahead of signing the agreement there was some briefing of various groups, like the Kimberley Land Council and others.

Senator SIEWERT—So the Kimberley Land Council was informed and consulted on this process?

Mr Flanigan—They were informed about the signing of the agreement. They were consulted about elements of the Northern Development Taskforce process. They were fully aware of the sort of project that we have afoot, but it would be wrong for me to construe those discussions as being consultation about the terms and form of the agreement, because it is an agreement between two governments.

Senator SIEWERT—So, with the community organisations, Aboriginal organisations and other people that you spoke to, the consultation was about the general process of—

Mr Flanigan—The general concept and the sorts of things we were working towards.

Senator SIEWERT—Do the terms of reference that will be released on the weekend, or the strategic assessment process, address issues beyond the seven national triggers?

Mr Flanigan—Yes, they do. One of the advantages of using the strategic assessment approach and doing it jointly with the state is that with the agreement of the state that assessment can include all environmental impacts. And in this case, the agreement requires that the assessment to be undertaken look at all potential impacts associated with the potential site of an LNG hub.

Senator SIEWERT—As I understand it the process was designed in two parts. There is the first part which we did more quickly, which is around LNG; is that correct?

Mr Flanigan—Essentially that is correct. The concept is that there needs to be firstly a process of identifying whether or not there is a site for a potential hub. That is proceeding on, if you like, a fatal flaw constraints type analysis. That will be followed by, or contemporaneously with, but is then a much longer process, looking at broader questions about Kimberley land use which will itself look at questions like the potential national heritage listing of components of the Kimberley.

Senator SIEWERT—Is Inpex still continuing with its development proposal while this is being undertaken?

Mr Flanigan—As I understand it they are still pursuing their current work on developing an environmental impact assessment report for their project on the merits.

Senator SIEWERT—Is that likely to be dealt with separately, obviously by both the Commonwealth and the state?

Mr Flanigan—That is right.

Senator SIEWERT—Do you envisage that the final outcome of this process will result in some sort of agreement like an RFA type agreement under the act? Does that mean that the community's capacity to be engaged as a third party, et cetera, will then be excluded if the state and Commonwealth reach an agreement as in a type of RFA over this area?

Mr Flanigan—No. I think the end point we will get to, assuming that there is a suitable site, is the Western Australian government will develop a management plan for that site along

the lines of a town planning scheme type document which will envisage multiple developments going into the precinct. Assuming that that management plan and all the associated management arrangements are deemed to be such that there either will not be a significant impact on matters of national environmental significance, including on areas that might have high value for things like heritage, then the minister would be able to grant what is called a strategic approval to the project. That approval would be subject to the normal ADJR type appeals that are available under the act.

Senator SIEWERT—That is for the hub. What about the broader assessment process that takes place after that?

Mr Burnett—That is getting a bit hypothetical because there are so many possible outcomes. For example, if it led to a national heritage listing, that has its own process.

Senator SIEWERT—One would hope it will lead to a national heritage listing, if not more. So, to go back to the timeline, the terms of reference are to be released this week. What was the consultation period for that?

Mr Flanigan—Twenty-eight days.

Senator SIEWERT—The government then, presumably, carefully considers the comments. And then in what time frame are the final terms of reference released?

Mr Flanigan—We and the Western Australian government are working on a very tight time frame. As you would be aware, there is considerable future development pressure coming in that region, so it is important that we move in a timely way to deal with it. We would expect to turn around the final terms of reference in very quick order. They are a relatively complete document and we have already released them to the public. There was a workshop in Broome two weeks ago and we provided copies to the public there, so people are already having a look at them. The next parts of the process then will very much depend on the speed at which the Western Australian government can pull together their work. Things are already occurring in the background in terms of looking at the site constraints and those types of things. We are hoping that by the middle of the year we would be in a position to know whether or not there is a prospective site that is relatively unconstrained from an environmental point of view—

Senator SIEWERT—By the middle of the year?

Mr Flanigan—By the middle of the year. But then post that point the detailed work would then begin on developing the scheme that would apply in terms of the detailed management of the site or the locality.

Senator SIEWERT—So the formal process of assessment will take place some time after the middle of the year? The formal process of community engagement in terms of the documentation—

Mr Flanigan—As to engaging on the documentation, the intention of both ourselves and the Western Australian government is to engage the public in the process as often and as much as we can as we go forward. We would hope to get to the end where there is already fairly substantial agreement from various parties that the site we are looking at—or the site that is ultimately chosen—is actually not constrained and that there is broad support for that.

Senator SIEWERT—Presumably though there will still be a document that goes out to the public through a formal consultation process through the assessment?

Mr Flanigan—At the end of the process there will be something that would look like a normal environmental impact assessment document that would be made publicly available for comment. But we would hope to have done a lot of work with scientists and community groups before that point.

Senator SIEWERT—I understand what you are saying, but that formal document looks like coming out some time mid year; is that right?

Mr Flanigan—No. There will be a process by which the state Northern Development Taskforce first comes down to a landing on three or four short-listed sites.

Senator SIEWERT—I beg your pardon. I jumped ahead.

Mr Flanigan—Then we will by mid year hopefully get to a position where we can make a decision between those sites. We would maybe have one which would be the preferred site. Then we would proceed to do the detailed working up of the constraints around that site. Then that is the site on which the full documentation would be prepared. Prior to that there would be documentation available about the site selection process, so there will be sequence documents.

Senator SIEWERT—Are we talking about one hub?

Mr Flanigan—The documents that are going to the public arena have that question open.

Senator SIEWERT—Sorry?

Mr Flanigan—The question is open whether it will be a hub or hubs. But the stated expectation of all parties is that the preference is to try to identify a single hub.

Senator SIEWERT—And is it still just about LNG, or is there potential elsewhere? You have heard the argument that a number of us think there needs to be a bigger hub potentially for downstream processing which we know we will want to co-locate.

Mr Flanigan—The Commonwealth's objective in this is to ensure that the scope of the design—how big does the place have to be—should take the broadest view possible about what might go into the site. We are still working with the Western Australians to put the detail into that. But the object here is to not find ourselves with a site that could handle a three or four train LNG plant, singular, only to find ourselves in 20 years time having to try and accommodate methane plants and other things.

Senator SIEWERT—I am conscious of the time so I will leave it there. Thank you.

Senator BIRMINGHAM—I have a few questions relating to the desalination plant for Wonthaggi, please. Is it correct that no environment management plan is required for the plant?

Mr Burnett—We are not at that stage. The only decision that has been taken at the federal level at this point is to declare it a controlled action under the EPBC Act, which means that full assessment is required. If there is to be a management plan, or whatever, that would be a condition that would emerge at the end of the process—I am sorry, can I clarify? Are you talking about the full desalination plant at Wonthaggi or the pilot plant?

Senator BIRMINGHAM—Let us try to deal with both of them, perhaps, which is a good idea. Are there conditions or an environment management plan imposed on the pilot plant?

Mr Burnett—No. The pilot plant has not been referred to us and is not something that we are regulating or assessing. So what I just said related to the full plant. It has been determined to be a controlled action under the EPBC Act. There will be a joint assessment with Victoria. At the end of that process, were the minister to approve it he may impose conditions. One of those conditions could be a requirement for a management plan.

Senator BIRMINGHAM—When was the referral or determination made that it should be considered?

Mr Burnett—On 4 February 2008.

Senator BIRMINGHAM—So it is a very new consideration. I do not imagine you are terribly far progressed in it as yet.

Mr Burnett—No, that is correct.

Senator BIRMINGHAM—What is the timeline expected to be?

Mr Burnett—I do not have information with me and it does really depend on how quickly Victoria moves. Under these joint assessments it is Victoria that will have the running, as it were. It will be an environment effects statement under the Victorian Environment Effects Act 1978. The speed with which that moves is up to Victoria. At certain points, particularly towards the end of it, when it is referred to the Commonwealth minister there are statutory time frames that have to be complied with. But at this stage it is really for Victoria to determine the speed with which it goes forward subject to its own statutory requirements.

Senator BIRMINGHAM—Victoria undertakes the review under its statutory requirements at its own timeline?

Mr Burnett—Yes. We have accredited the Victorian process, which means that we accept it as likely to provide the Commonwealth minister at the end of the day with the information that he needs to make an EPBC Act decision.

Senator BIRMINGHAM—How does that accreditation process overcome risks that the Victorian government, as both proponent and assessor, has a potential conflict?

Mr Burnett—There are a series of protections. The first is that we would not accredit the process unless we were satisfied that there were good prospects that it will operate in a proper manner, that is, as objectively as possible and involving the necessary public consultation and that it is likely to lead to a position at the end of the day where the Commonwealth minister has the information that he needs before him to make a properly informed decision. Then there are some of the other steps that I mentioned in relation to the Traveston Dam. As the process unfolds we provide comments to the Victorian officials. They might send us a draft of something and we will provide comments on it as we go. We also have the capacity to commission our own expert advice on particular aspects. We have not taken any decisions at this stage on that, but potentially we might as the process unfolds. At the end of the process we make a recommendation to our minister as to whether or not the information is all present and correct. If we felt that it was not we could recommend to the minister that he seek further information. There are a number of safeguards along the way.

Senator BIRMINGHAM—What public consultation will be undertaken both by the Victorian government and by the minister or yourselves in this process?

Mr Burnett—Because we have accredited the Victorian process, the consultation will be undertaken by Victoria. It will be the public consultation that the Victorian legislation requires for an environment effects statement. I have not got with me the details of exactly the form of that public consultation or for how long it is. I will have to take that on notice. But in general terms it is pursuant to their own statutory requirements for public consultation on an environment effects statement.

Senator BIRMINGHAM—While we are on desalination plants, has any discussion been had with the South Australian government about assessment of the proposed desalination plant at Port Stanvac in South Australia?

Mr Burnett—I do not think so. I might just check. No.

Senator BIRMINGHAM—Once again, I think that project is at tender stage for a trial plant, so I am assuming your experience in Victoria would suggest that it is unlikely a trial plant would trigger—

Mr Burnett—It is a site-by-site assessment. Rather than it being connected with the scale of the project, it is really connected with whether there are any matters of any national environmental significance present in the vicinity on which the plant or the action may have a significant impact. It is a case-by-case assessment and largely has to do with the site as well as the nature of the plant itself.

Senator BIRMINGHAM—There is obviously some discussion about the impact on gulf waters. It is a different location from other plants.

Mr Burnett—I have just been given some additional information. It turns out that the trial plant in South Australia was referred to us last year and that we determined that it was not a controlled action, which meant that in our view there were no matters of national environmental significance on which there was likely to be a significant impact and that, therefore, we did not need any further involvement.

Senator BIRMINGHAM—You would expect later down the track for the full plant to be referred to you.

Mr Burnett—Yes, given that they have referred the trial plants to us, it is quite likely. Sometimes though proponents do it really out of an abundance of caution; they do not necessarily think that there will be a significant impact. Sometimes they just do it to make sure because if they run the risk and do not refer it to us we might come along later and say, ‘Well, you should have referred that to us,’ and then they are potentially in breach of the law.

Senator BIRMINGHAM—The proposed desalination plant near Whyalla being built by BHP Billiton, has that been referred?

Mr Burnett—Yes, that will be part of the referral for the expansion of Olympic Dam. The entire Olympic Dam project has been determined to be a controlled action and that will be the subject of a full environmental impact statement, including the desalination plant.

Senator BIRMINGHAM—Who will be undertaking that assessment?

Mr Burnett—I might ask Ms Middleton to take over at this point.

Ms Middleton—The Olympic Dam extension was actually referred a number of years ago and was determined to be a controlled action. We are doing an assessment process in parallel with the South Australian government through the primary industries and resources portfolio in South Australia.

Senator BIRMINGHAM—Is it a dual assessment?

Ms Middleton—It is a dual assessment. However, we make our own decisions. We just align our public comment periods in documentation so that it makes it easier for the public to work through the documentation and not be running two separate processes with two separate pieces of documentation.

Senator BIRMINGHAM—What is the timeline for this assessment?

Ms Middleton—At this stage BHP have indicated to us they will have a draft EIS for our consideration towards the middle of the year.

CHAIR—If I could just interrupt you, I would like to make an announcement about changes to the agenda that the committee has agreed to accommodate in particular the arts portfolio and the Antarctic Division who have travelled here from interstate. The committee has agreed that now the National Water Commission and the water outcomes will be called on Friday morning between 8 am and 10 am, so you are excused for the evening. The rough plan for the rest of the evening is that we will conclude this particular output, hopefully, by about 8.15 pm. Then we will go to the Australian Antarctic Division until the tea break and after the tea break we will do the arts portfolios, which will be commencing at 9 pm. Thank you.

Senator BIRMINGHAM—I would like to keep to our schedule, so I will conclude there.

Mr Burnett—Might I just clarify a matter, please? When we were discussing the South Australian desalination plant, were you talking about the one that BHP is building or the plant which is proposed to be built near Adelaide?

Senator BIRMINGHAM—I was talking about both, so my latter questions related to the BHP Billiton plant. My earlier questions related to the one at Port Stanvac in Adelaide.

Mr Burnett—Then I should correct my evidence. When I said that the trial plant had been assessed, it turns out that that was the BHP one. The Port Stanvac one has not been referred to us.

Senator BIRMINGHAM—Have you had no referral of that?

Mr Burnett—I do apologise for that confusion.

Senator BIRMINGHAM—That is okay. The geography is confusing.

Senator IAN MACDONALD—I had asked whether the Traveston Crossing Dam Senate inquiry had a reference to audit. It does under recommendation 1. It does not actually say to do it, it says—

Senator Wong—To take it into account.

Senator IAN MACDONALD—It recommended that the minister consider the results of the audit of Paradise Dam in coming to an opinion there. There is no need to get back to me

on that; I have found out the answer and I would recommend that you read recommendation 1 and the supporting statement.

Mr Burnett—Thank you very much.

Senator BOB BROWN—In relation to the desalination plant, has the minister been invited by locals to see on the ground the concerns they have, environmental, social and other concerns, about this huge project in their locality?

Senator Wong—We have been discussing three desalination plants in the last short period. Could you clarify which one?

Senator BOB BROWN—The Victorian desalination plant.

Senator Wong—Wonthaggi?

Senator BOB BROWN—Near Wonthaggi.

Mr Burnett—I do not know whether the minister has received an invitation. I am afraid I do not have any information on that.

Senator BOB BROWN—Could you find out for the committee, please.

Senator Wong—We will take that question on notice.

Senator BOB BROWN—Minister Wong, have you been invited to see the area?

Senator Wong—I would have to take that on notice. I have been invited to a great many things. I would like the—

Senator BOB BROWN—Would you consider it if you were invited?

Senator Wong—I consider all invitations.

Senator BIRMINGHAM—That sounds like an invitation.

Senator BOB BROWN—I cannot make that on behalf of the local people.

Senator Wong—The EPBC Act issue is obviously within Minister Garrett's portfolio. You want us to take on notice whether I have been invited and whether Minister Garrett has been invited?

Senator BOB BROWN—Yes. And, secondly, whether you would consider going if you were invited.

Senator Wong—Senator Brown, do you want me to take that on notice?

Senator BOB BROWN—Yes.

Senator Wong—Whether or not I would consider going somewhere?

Senator BOB BROWN—If you have been invited.

Senator Wong—All invitations provided to ministers' offices, I am sure, mine included, are considered. As you would probably be aware, you cannot respond positively and you cannot accept every invitation. I am sure you do not accept every invitation that goes to your office.

Senator BOB BROWN—Yes, but I am very happy to say why I have or have not accepted those invitations.

Senator Wong—I am not sure what point you are making.

Senator BOB BROWN—The point is, if you have been invited and have not gone, would you let the committee know why you decided not to go?

Senator Wong—I will consider that.

Senator BOB BROWN—Thank you. Are you aware of the global warming impact of the desalination plant if it goes ahead?

Senator Wong—Is this a question to me?

Senator BOB BROWN—Yes.

Senator Wong—Is this a question in relation to your proposition that this is an issue to be considered under EPBC Act approval?

Senator BOB BROWN—Yes.

Senator Wong—That is a matter for Minister Garrett, and I will take that on notice.

Senator BOB BROWN—It is also a matter of government policy that the greenhouse gas impact will be taken into consideration for projects in the future, and this is one for the future. What I would like the committee to know is whether you as minister responsible for climate change as well as other matters have considered this and, if not, whether you are assessing that impact.

Senator Wong—There are two issues. The first is that the commitment to considering or including a climate change trigger into the EPBC Act has been canvassed already in these hearings. I cannot recall whether you were here for that discussion.

Senator BOB BROWN—I am right up on it.

Senator Wong—I am sorry?

Senator BOB BROWN—I am right up on earlier discussion about that matter.

Senator Wong—That is a matter that we have already answered questions about so I would refer you to those answers. In relation to the impact of the proposed Wonthaggi desalination, that is a matter that is being considered, as the officers have said, in the context of the EPBC Act, and that is a matter for Minister Garrett.

Senator BOB BROWN—Why was the go-head for the pilot plant given? What reasons did the minister have for not including that in the overall consideration of this plant for EPBC deliberation?

Mr Burnett—The trial plant was not referred under the EPBC Act for assessment. It is only the main plant that has been referred. We were aware of—

Senator BOB BROWN—I am sorry to interrupt. Is the minister excluded from considering matters that are not actually referred?

Mr Burnett—He would have to call them in. If he believes they are likely to have a significant impact on a matter of national environmental significance but they have not been referred he can require them to be referred. The trial plant was not referred. We were aware of it but did not make any recommendation to the minister that he should require it to be

referred, because we did not think it was likely to have a significant impact on a matter of national environmental significance.

Senator BOB BROWN—How do you divorce the pilot plant from the actual plant itself? In other words, how do you be responsible to the proponents of a pilot plant in saying, ‘You can go ahead with that, but we are still going to consider the overall plant,’ if you have an intention for Commonwealth consideration of the overall plant under the EPBC?

Mr Burnett—It really depends on the circumstances. For example, if a proponent contacts us and seeks to discuss the matter before making a formal referral we will talk it right through with them and say to them, ‘This needs to be referred, but that doesn’t.’ Alternatively a proponent, particularly a large proponent such as in this case, might obtain legal advice and scientific advice and form their own conclusion about what is likely to have a significant impact on a matter of national environmental significance and just make their decisions based on their own advice.

Senator BOB BROWN—Did the minister take legal advice on this matter?

Mr Burnett—Could he take advice?

Senator BOB BROWN—Did he?

Mr Burnett—No.

Senator BOB BROWN—So, no legal advice was sought?

Mr Burnett—I should clarify this. Did he take legal advice on whether the pilot plant was likely to have a significant impact on a matter of national environmental significance? Is that the question?

Senator BOB BROWN—That is the first one, yes.

Mr Burnett—No.

Senator BOB BROWN—What about the overall plant itself? Has legal advice been sought there?

Mr Burnett—No, we did not need to take legal advice. It was referred to us and we assessed it in the normal way and determined it to be a controlled action.

Senator BOB BROWN—On what grounds?

Mr Burnett—That it was likely to have a significant impact on matters of national environmental significance.

Senator BOB BROWN—Being which ones?

Mr Burnett—Two groups of matters. One had to do with some endangered species in the area and the other was that there was an adjacent Ramsar wetland.

Senator BOB BROWN—In the consideration of the plant would the prudent and feasible alternatives such as the fact that a tank in 60 per cent of backyards in Melbourne would provide more water than the desalination plant be taken into account?

Mr Burnett—I can only speak about the EPBC Act. The Victorian government, in developing its proposal, presumably takes account of all sorts of other alternatives, but at the

Commonwealth level we are required to assess the proposal that is referred. If the proposal is a desalination plant, that is what we assess.

Senator BOB BROWN—State governments decided to go ahead with the plan. Isn't the federal minister, Mr Garrett, going to look at feasible and prudent alternatives in helping to decide whether that is a reasonable project for him to endorse?

Mr Burnett—I cannot speak for what might be in the minister's mind. All I can say at this stage is that the matter has been declared to be a controlled action and we will now proceed with the assessment in accordance with the act.

Senator BOB BROWN—How long will that take?

Mr Burnett—Quite some time. It is a significant proposal. It will be the subject of a full environmental effects statement under the Victorian Environmental Effects Act. Ms Skippington may be able to give a bit more information, but a substantial amount of time. As I was saying to one of the other senators, it does really depend on the speed with which the Victorian government moves. It has to meet its own statutory requirements under its own legislation. But for some aspects of it the timing is up to Victoria.

Senator BOB BROWN—The act provides for the state government to be able to propose that the social and economic impact of this huge desalination plant also be considered by the minister. Has such a request been made or considered?

Mr Burnett—The EPBC Act requires the Commonwealth minister to take economic and social matters into account when making his decision.

Senator BOB BROWN—How can you do that without looking at the prudent and feasible alternatives?

Mr Burnett—That could be part of it. It is a bit of a hypothetical question. It really depends on the nature of the proposal. What we are assessing is the proposal. The economic impacts might be, for example, the effect on employment. It is not necessarily the case that you would consider alternative proposals. The focus of the legislation is to assess the economic and social impacts of the proposal.

Senator BOB BROWN—Are you aware that one tourism/hospitality business on or near the site recently completed for holiday makers is being compulsorily resumed by the state government?

Mr Burnett—No, I was not aware of that.

Senator BOB BROWN—Would you look into that matter and establish that?

Senator Wong—On what basis? What Mr Burnett has made clear is that this matter is a matter that has been determined to be a controlled action under the EPBC Act, and it will be assessed in accordance with the statutory requirements. I appreciate this is an issue that you feel strongly about. But Minister Garrett has a statutory role, which he is required to discharge. It is not the subject of your making requests of the department that they go off and look at something.

Senator BOB BROWN—No, but Mr Burnett just said that employment and economic considerations will be taken into account. I am pointing out a very local and very important

one. I can tell you that the people who have had their whole life dreams resumed by the Victorian government without any argument to make way for this desalination plant feel that their employment and economic interests have been totally disregarded.

Senator Wong—That is a legitimate point for you to make. My point simply is that the officers have indicated the statutory framework within which they are operating. I am not sure we can take it any further. If you want to have a discussion about the merits or otherwise of the proposal that is really not an issue for these officers to respond to.

Senator BOB BROWN—One matter that is—and it is a very important one—goes to the economic and employment comparisons of the alternatives that are available. Will they be assessed by the minister?

Mr Burnett—We have determined the particular action, the proposed desalination plant, is to be a controlled action and therefore subject to the full assessment. Until we receive the final environmental impact statement for final assessment I cannot give you any categorical answer about which particular economic or social matters will be taken into account. I can only describe the general process, which is that under the Victorian legislation there will be a full assessment, including public consultation, and all public comments are taken into account, and passed on to the Commonwealth minister. We take them all into account as the act requires, but that is as far as I can go at this stage.

Senator BOB BROWN—Can you give any indication as to when you think that assessment will be completed? Will it be completed this year?

Mr Burnett—I do not know. That is really up to the Victorian government principally. For example, when the final assessment arrives on the Commonwealth minister's desk he has a certain number of days in which to consider it.

Senator BOB BROWN—That is correct.

Mr Burnett—But most of the stages of the assessment are in the hands of the Victorian government and therefore I cannot say how long it will take.

CHAIR—I am mindful that the committee made the decision that at about this time we would go to the Australian Antarctic Division.

Senator Wong—Could I also indicate, just because Senator Allison has returned, I understand Mr Early has a response on an earlier question you asked. When it is a convenient time he can give that response.

Senator ALLISON—Chair, I am sorry I was not party to the meeting we had. I would like to ask a couple of questions on desal.

Senator BOB BROWN—And I have questions on—

CHAIR—We did meet as a committee to sort out the times. I am very conscious that the Australian Antarctic Division have come from Hobart to be at this meeting and the way we are going they will not get on at all. I am sure we can find opportunities for senators to ask questions about desal plants at some future point.

Senator BOB BROWN—I want to ask about the pulp mill.

Senator BIRMINGHAM—The pulp mill was canvassed earlier tonight. I am sorry you were not here at the time, but we are trying to get through a range of agencies through the rest of the night. We have already deferred some until Friday, and we thank Minister Wong for her assistance and that of department officials. We wish to show some fairness to all agencies and all the senators who have questions.

Senator BOB BROWN—That is your submission. I want to ask about the pulp mill.

Senator BIRMINGHAM—Put them on notice.

Senator ALLISON—I can be quick.

Senator Wong—Could Mr Early place on record his response to Senator Allison?

CHAIR—Yes, Mr Early can give his response to Senator Allison and we will sort out the next stage.

Mr Early—I took some advice from the Water Divisions and our NRM Policy Division. Basically, the Australian government is not providing any direct financial support for the management per se of the western shoreline and Bellarine Peninsula Ramsar site, which as you know is a Victorian government responsibility. However, in 2007-08 the National Action Plan for Salinity and Water Quality provided \$409,561 to the Corangamite Catchment Management Authority, and in the same year the NHT provided the same catchment management authority with \$955,500. The Bellarine Peninsula Ramsar site falls in the area covered by the CMA. In 2007-08 we understand that the CMA used 44,000 of the NAP funds and 44,000 of the NHT funds to contribute to protection of the Ramsar site. These activities will not be impacted by the conditions attached to the EPBC Act approval of the Port Phillip Bay channel deepening, which are standalone in their own right.

Senator ALLISON—Are there details on the website of the works being done for that program?

Mr Early—That is all I have. I could take on notice the precise details of that \$88,000.

Senator ALLISON—Thank you.

CHAIR—I intend to move to the next agency, which is the Australian Antarctic Division. If you could put your remaining questions on notice that would be appreciated.

Senator BOB BROWN—Chair, I ask that I be able to ask the questions that I have on the pulp mill?

CHAIR—Are you disagreeing?

Senator BOB BROWN—Yes.

CHAIR—Would you like to have a private meeting to consider this?

Proceedings suspended from 8.24 pm to 8.30 pm

Senator BIRMINGHAM—Has the Australian Antarctic Division undertaken aerial surveillance flights using their A319 plane for surveillance purposes to conduct and collect photographic and video evidence of Japanese whaling?

Dr Press—Any aerial surveillance in that regard is not carried out by the Australian Antarctic Division, it is carried out by Border Protection Command.

Senator BIRMINGHAM—So, the Australian Antarctic Division has not undertaken it and your aircraft has not been utilised for the purposes of undertaking such surveillance?

Dr Press—The surveillance is undertaken by the Border Protection Command, not by the Australian Antarctic Division. They have access to the plane that we have on lease, but it is not conducted by us. That question is best referred to the appropriate minister.

Senator BIRMINGHAM—A statement made by the Minister for Environment and Minister for Foreign Affairs on 19 December says that aerial surveillance will be conducted by the Australian Antarctic Division—an A319 plane—which will take both photographic and video evidence by way of aerial surveillance. Has the promised aerial surveillance been undertaken?

Dr Press—The plane is the plane that we have on lease to Skytraders and for this purpose it is being used not by us but by the government through the Border Protection Command.

Senator PARRY—Was that a fee for service?

Dr Press—There was a decision made that there would be some funds to contribute to the use of this plane for that purpose.

Senator PARRY—So, funds from Customs to the Antarctic Division?

Dr Press—Appropriated for the use of that plane.

Senator PARRY—Can we ask what those funds were? Take that on notice if you do not know.

Dr Press—There was \$700,000 for five flights.

Senator PARRY—What were the flight durations for those five flights? Were they four-hour flights or six-hour flights?

Dr Press—That is an operational issue.

Senator PARRY—But they were five single flights, five return flights, I presume from Hobart, out surveilling and back to Hobart?

Dr Press—That is the general operation, yes.

Senator BIRMINGHAM—So, the Australian Customs Service has utilised the A319 to undertake the surveillance flights?

Dr Press—It has been utilised, but those questions should be really asked of the appropriate minister rather than me.

Senator BIRMINGHAM—Can you tell me when the plane was contracted?

Senator Wong—As Dr Press has indicated, the appropriate portfolio to ask those questions under would be the minister representing the Minister for Home Affairs.

Senator BIRMINGHAM—You have confirmed that the A319 is a plane managed by the Antarctic Division?

Dr Press—The A319 is a plane that we have through Skytraders Pty Ltd. We have a lease to operate that plane for our purposes and for other purposes, including other government work.

Senator BIRMINGHAM—So, you sublease that to Customs on demand?

Dr Press—The plane is available to other agencies when it is not in use for us.

Senator BIRMINGHAM—Is it available at a price to that agency for its usage?

Dr Press—The structure of the contract allows for the plane to be used for government purposes and that can be at a fee.

Senator BIRMINGHAM—So, when other agencies use it, those other agencies pay that fee?

Dr Press—If they are requested to do so.

Mr Borthwick—This aircraft has been operational only since earlier this year. Its principal purpose is to undertake the movement of both passengers and freight concerning Antarctic operations. But it is available throughout the year for other government agencies to lease, and that will be on a fee-for-service basis. In this case there are five flights. Our portfolio has been given \$700,000 to undertake those five flights, but the actual flights and operational details concerning those flights are overseen by Border Protection Command, as Dr Press indicated.

Senator BIRMINGHAM—When you say there are five flights, there are five flights undertaken by the Antarctic Division or undertaken by Customs?

Mr Borthwick—No, by Border Protection Command. But because they are using our plane, the money is being directed to us. To date I think three flights have been undertaken.

Senator BIRMINGHAM—So, three out of the five flights under the agreement with Border Protection Command have been undertaken. When was the agreement struck with Border Protection Command?

Dr Press—After the election it was part of the government decision.

Mr Borthwick—Earlier in today's proceedings I indicated that there was an IDC that was convened by I think Prime Minister and Cabinet division to look at—

Senator BIRMINGHAM—Was that an interdepartmental committee?

Mr Borthwick—Yes, an interdepartmental committee to look at a whole range of cross-portfolio issues with respect to the government's response to whaling, and it came out of that process and subsequent government decisions.

Senator BIRMINGHAM—When was the IDC meeting?

Mr Borthwick—I would have to check the dates, but it was late last year, on my recollection. But we can take the timing of that on notice.

Senator BIRMINGHAM—It is a capped agreement at five flights with the Customs Service at this stage?

Mr Borthwick—That is right.

Senator PARRY—Is that a wet lease or a dry lease? A wet lease being fully crewed and a dry lease being not?

Mr Borthwick—I am not aware of those details. We can take that on notice.

Dr Press—The plane is fully crewed. The arrangement for the A319 is that the Commonwealth has access to that plane through a financial agreement/arrangement with Skytraders Pty Ltd.

Senator PARRY—Who owns the plane? What is the name of the group?

Dr Press—The plane is owned by an international company. It is on lease to the Commonwealth through Skytraders.

Senator PARRY—So, the Antarctic Division wet leases the plane?

Dr Press—Yes.

Senator PARRY—And then sub wet leases the plane?

Dr Press—That is correct.

Senator PARRY—Is Customs the only agency that is involved in these leasing transactions?

Mr Borthwick—As I indicated before, this plane has only just come into service in January.

Senator PARRY—You did, but are there other agencies involved?

Mr Borthwick—Not at this juncture.

Senator PARRY—But it is not restricted to—

Mr Borthwick—No, it is not. I have spoken to other portfolio secretaries to make them aware that this plane is available for them to lease.

[8.40 pm]

Senator PARRY—Is this for cost recovery?

Mr Borthwick—Yes, on a cost recovery basis.

Senator PARRY—Is the Antarctic Division doing this to recover costs because the plane is not utilised enough on the regular Hobart to Antarctic service?

Mr Borthwick—That is right. To the extent that Skytraders can earn additional money, that is a spin-off benefit to our Antarctic Division.

Senator PARRY—That makes sense.

Senator BIRMINGHAM—Is this a new plane or a new leasing arrangement? When did the leasing arrangement commence and when was the decision to enter into the leasing arrangement taken?

Dr Press—Approximately March 2007.

Senator BIRMINGHAM—I assume that is when the decision was taken?

Dr Press—That is not when the decision was taken, it is when the plane became available, was released by the company from its previous contract and was made available to Skytraders to come to Australia to commence the whole certification process for us to use it.

Mr Borthwick—Can I clarify this? I took it that you were asking about the leasing arrangements to Border Protection Command for the point of whale surveillance rather than when we started entering into arrangements to lease this plane for Antarctic operations.

Senator BIRMINGHAM—No, I was looking for when the Antarctic Division started the leasing arrangements.

Mr Borthwick—My apologies.

Senator BIRMINGHAM—I ascertain that the sublease occurred some time around or after the IDC meeting, which you will get us the date of, Mr Borthwick.

Mr Borthwick—That is right.

Senator BIRMINGHAM—How many flights a year or through what time frame? I assume there are limited times in which flights are undertaken?

Dr Press—You have to understand that we are doing something completely new and revolutionary in Antarctic circles, that is, taking a commercial passenger jet on a regular service into and out of Antarctica. This year has been the setting up of that. I must say that the work that we did this year went far better than we expected in terms of the operation of the plane. We expect that it will operate between late October-early November to early to mid-February as a regular window for our operations from Hobart to Wilkins runway near Casey Station.

Senator BIRMINGHAM—Is the plane utilised in the other months?

Dr Press—The plane is available under the arrangement we have with Skytraders for use by the Commonwealth or, with our consent, anybody else for a commercial operation.

Senator BIRMINGHAM—In a sense you pay a retainer to have access to the plane through Skytraders and then a per hour fee for the wet lease?

Dr Press—There are a lot of commercial-in-confidence arrangements here, but essentially we have a contractual arrangement with Skytraders which means the more external work they get for that plane when it is not in our service, it reduces the profit to the Commonwealth and increases the cost to Skytraders. There is a win-win for them and for us.

Senator BIRMINGHAM—Obviously the decision to get this plane was made because the C212 that I see you have utilised or continue to utilise was unable to land on the ice runway; is that the case?

Dr Press—No. The C212 is a smaller aircraft that is used to travel in Antarctica, from place to place within Antarctica. It does not have the capacity to carry passengers from Australia to Antarctica.

Senator PARRY—I would not want to travel from Australia to Antarctica in one of those, either.

Senator BIRMINGHAM—How much does a return flight to Antarctica cost?

Dr Press—Do you mean the operation of the plane itself?

Senator BIRMINGHAM—Yes.

Dr Press—I have some figures here. I would have to give you an exact figure for a round trip but it is about \$150,000. I can take that on notice if you want me to.

Senator BIRMINGHAM—If you could. How many people does the plane seat?

Dr Press—In the configuration that we are currently operating, the plane can take up to 20 passengers. It has the capacity to carry more than that in terms of passenger numbers, but we are operating at the moment with 20 passengers.

Senator PARRY—Is that to allow for equipment from scientists et cetera going down there? Is that the reason for that configuration?

Dr Press—There is also the issue of the facilities we have at the other end for safety and emergency reasons.

Senator PARRY—And weight?

Dr Press—Not so much weight. We can carry about 4.5 tonnes underneath the plane with additional freight inside the cabin that is unutilised.

Senator PARRY—Does that also allow for a return to Hobart upon a non-land?

Dr Press—We can fly the plane from Hobart to the runway, have some time on station if we cannot land and then return to Hobart with plenty of fuel fully loaded.

Senator PARRY—Is that a reason why the configuration is for load?

Dr Press—No.

Senator BIRMINGHAM—Does Customs use the plane for purposes other than surveillance of the Japanese whaling fleet?

Dr Press—It has not been used for any other purpose.

Senator BIRMINGHAM—We can take it that the three out of five flights relate to that and the rest are operational details that we will have to pursue with Customs. If I can refer to the return flights made on 10 January, on which I understand Minister Garrett was a passenger; is that correct?

Dr Press—This is correct.

Senator BIRMINGHAM—How many people were on board the flight on that day?

Dr Press—There were, I recall, 19 passengers plus crew.

Senator BIRMINGHAM—The minister was obviously present. Did the minister take any staff?

Dr Press—The minister took one staff.

Senator BIRMINGHAM—Did the minister invite any media representatives onboard?

Dr Press—There were four media representatives on board with the minister's party. I have to correct the record; there were two staff on the flight.

Senator BIRMINGHAM—Were there any other guests invited by the minister?

Dr Press—No. The rest of the flight had scientists and technical people travelling with the Australian Antarctic program to Antarctica. We had a number of scientists and a number of other expeditioners onboard.

Senator PARRY—It might be a silly question but how many of the 19 that went down did not come back? There is a logical reason for the question. Did some stay over to do some scientific work or other activity? And did you backload to get some back? That is the purpose of my question.

Dr Press—I will not give you exact numbers. I will have to go back through the records. There were a number of scientists who went on to do other things. As a matter of fact, it was a significant flight because we took a group of physicists there who ended up catching one of the C212s and flying all the way to Davis Station and making the one-way trip in 15.5 hours instead of 15 and a half days, which was quite significant. We had another group of scientists looking at the use of equipment for doing aerial counts of seals and whales and various other things in Antarctica. On the way back we brought back among the passengers three Chinese expeditioners from Zhong Shan Station near Davis Station. They came back to Australia with us. The plane was full on the way down and it was full on the way back.

CHAIR—I am conscious that we are supposed to be on a tea break.

Senator BIRMINGHAM—At what stage did the minister decide to join the flight?

Senator PARRY—Mid-air.

Dr Press—No, he decided to join the flight well before it left, but not very long before it left. I am doing this by memory. We got the authority on the Monday morning and I looked at the passenger list, determined that the minister could fit there if he was able to come and I asked the minister would he like to join the flight.

Senator BIRMINGHAM—And the flight left on what day of the week? You said it was the Monday morning.

Dr Press—It left 24 hours after we wanted it to because we held over for weather. It flew 24 hours after its scheduled take-off.

Senator BIRMINGHAM—In looking at the passenger list, did you have initially room for the minister, two staff, four journalists that he chose to invite or did you have to ask passengers, scientists who you would otherwise have taken, to step down from that flight?

Dr Press—No, it was done on the basis of availability.

Senator PARRY—So, you had seven empty seats at that point?

Dr Press—Seven non-priority seats at that point.

Senator PARRY—What is the difference between a non-priority seat and an empty seat?

Dr Press—If you are doing flights in and out, as we were starting to then, you set your people up on the passenger list—

Senator PARRY—So, departmental staff were stood down to allow for the minister and his entourage?

Dr Press—No-one was stood down to allow the minister and his entourage. The minister was invited because there was space available.

Senator BIRMINGHAM—Who were the four journalists?

Dr Press—I would have to take that on notice. I cannot remember off the top of my head.

Senator BIRMINGHAM—Do we know how they were selected? Was there an open invitation to the media?

Senator Wong—I would have thought if there had been an open invitation there would be a few more than four who might like to go. That was quite significant. Most people would have wanted to be present at it and report on it.

Senator BIRMINGHAM—So, the minister handpicks four journalists, gets two staff for a daytrip to Antarctica, which in terms of his seats costs over \$50,000, for a PR stunt; is that the broad summary of it?

Senator Wong—Is that a question?

Senator BIRMINGHAM—If you are happy to let it stand I am happy to let it stand as well.

Senator Wong—Let us be a bit mature about this. Is that a question to the department?

Senator BIRMINGHAM—I am happy to let that stand. If the chair is—

Senator Wong—Is that a question to the department or is that just you pontificating?

Senator BIRMINGHAM—You can interpret it as pontificating if you want. I am conscious that the chair is looking to wrap things up. Can I briefly return to the surveillance of the Japanese whaling fleet?

Senator Wong—It might assist you to know when Minister Campbell was minister how many journalists he had planned to take with him on this flight. Perhaps you would like to ask Dr Press that question.

Senator BIRMINGHAM—I am not going to be—

Senator Wong—No, I bet you won't.

Senator BIRMINGHAM—I am not going to be goaded by you into asking questions. That is fine. If you wish to encourage your Labor colleagues to ask you a question you are welcome to.

CHAIR—I will ask Dr Press: how many journalists did Minister Campbell intend to take with him?

Dr Press—My recollection is that there were I think 16 originally in the party.

CHAIR—Sixteen journalists?

Dr Press—No, 16 in the previous minister's party.

CHAIR—Sixteen in the minister's party when he went to Antarctica?

Senator BIRMINGHAM—Mr Campbell was not the previous minister.

Senator Wong—Sorry, the minister preceding the previous minister; is that right?

CHAIR—There have been so many.

Senator BIRMINGHAM—That is right.

Senator Wong—He was from your party.

Senator BIRMINGHAM—We are talking basically 12 months or more, if I recollect clearly. If in fact we are talking about before the A319 was actually even leased—

CHAIR—Is it time for a tea break?

Senator Wong—Do you want to proceed with this, continue further?

Senator PARRY—We did agree to go through the tea break, didn't we?

Senator SIEWERT—No. I did not support that.

Senator PARRY—No, we did. We agreed to go through the tea break if that was going to facilitate things.

CHAIR—I did not make that known to the officers and I am conscious of that.

Senator PARRY—Have a short tea break.

Senator Wong—The officers have been here a long time. I am sure they would appreciate a cup of tea.

CHAIR—Thank you very much. That concludes the examination of the Antarctic Division. Thank you, Minister Wong. I understand you will be leaving us now.

Proceedings suspended from 8.56 pm to 9.06 pm

Australia Council

CHAIR—I welcome Senator the Hon. Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion, representing the Minister for Environment, Heritage and the Arts, and portfolio officers. I now call officers from the Australia Council. I invite questions.

Senator KEMP—We particularly welcome the member for the Australia Council, members of the department and Ursula Stephens who, as my colleague said, should have been a minister—but anyway we shall leave that for another day.

Senator Stephens—Thank you.

Senator KEMP—I have a couple of quick issues. If you do not have the information on hand I am very happy for it to be taken on notice. Since the change of government, what appointments have been made to the Australia Council itself and to the various art form boards?

Ms Keele—I do not believe any appointments have been made since the election.

Senator KEMP—Perhaps you might be able to take this one on notice. Could we have a list of the vacancies that exist on the council at the moment?

Ms Keele—I will take that on notice, thank you.

Senator KEMP—In terms of the appointments is the government applying what is the so-called Noland-Conroy principles to appointments to the Australia Council?

Ms Keele—I am not sure I can answer that. Can the department help me?

Senator KEMP—I do not know whether Mr Borthwick can assist us there, or the minister.

Mr Borthwick—I think the answer was that there have not been any appointments made to the Australia Council.

Senator KEMP—That was not quite the question. The question was about in the future.

Mr Borthwick—I am sure the future will be a merit-based appointment process.

Senator KEMP—As always, Mr Borthwick.

Senator LUNDY—Unfortunately Senator Kemp comes with experience.

Senator KEMP—I can speak from a little bit of experience. Can I ask the Australia Council about the two per cent efficiency dividend that the government has announced? Does that apply to the Australia Council and, if so, in what areas does it apply?

Ms Keele—Yes, it does apply to the Australia Council and it applies to our total appropriation.

Senator KEMP—Please correct me if I am wrong, but my memory was that as a result of decisions by the previous government, the efficiency dividend was fully compensated for and so, in effect, there was not any net effect on the Australia Council. Is that right?

Ms Keele—Not quite. There is a compensation made to the major performing arts companies.

Senator KEMP—That is right, yes.

Ms Keele—So, in effect, they are not affected but the rest of the council is affected. We are trying in looking at our budget to ensure that we minimise the affect on any arts organisation or on the artist grants.

Senator KEMP—But in terms of the initiative that the government has announced, does that mean that the appropriations that will be made to the major performing arts board will be affected?

Ms Keele—No, they will not.

Senator KEMP—They will be fully protected under the current arrangements?

Ms Keele—Yes.

Senator KEMP—I think that is very interesting. I wonder if you could take this on notice: I would very much like to receive a table dating from 1996, surprisingly, up to the current period to show the total appropriations that have been made to the Australia Council. I would also like a similar time series to show the expenditures made under the major performing arts board.

Senator LUNDY—That is a—

Senator KEMP—How did you guess? Honestly, people do not appreciate how bright you are, Senator Lundy. I was shocked that you are not on the other side of table, too. I am just appalled. I would particularly like also to indicate for the major performing arts companies on

a year-by-year basis the time series which shows the grants which have been made from the Australia Council to those major companies.

Senator LUNDY—My advice would be to highlight and underline and put in bold when Senator Kemp was minister.

Senator KEMP—I think that is a good idea. Could you indicate to me, as a result of the decisions that were made from the review of the Nugent committee report, how much additional funding was provided to the major performing arts companies?

Ms Keele—I do not know that right off the top of my head. We will take that on notice and get back to you.

Senator KEMP—Would you take that on notice? As a result of the decisions made for the small and medium companies in the last budget, how much additional funds were provided in that particular area?

Ms Keele—That was \$4.8 million per year.

Senator KEMP—As a result of the decisions made in relation to the continuation of the Myer report, what was the additional funding that was provided there?

Ms Keele—That is through the department. They will answer that question.

Ms Bean—It was \$24.7 million over four years.

Senator KEMP—Is that similar amount to the previous four years, adjusted for inflation?

Ms Bean—That was the additional money that was provided as a result—

Senator KEMP—That was the first tranche. What has happened since then?

Ms Bean—That was the second tranche.

Senator KEMP—How did that compare with the first tranche? Take it on notice.

Ms Bean—I think the first was \$19.5 million.

Senator KEMP—Going back just briefly, how much money will the Australia Council have to find as a result of the two per cent efficiency dividend requirement?

Ms Keele—This year we will have to find \$333,000. That is because it is pro rated this year. Next year we will have to find about \$1.4 million.

Senator KEMP—And the following year?

Ms Keele—\$1.5 million I think it gets to. We can give you that in just a second.

Senator KEMP—It is about \$330,000 in the first year, \$1 million in the second year and about \$1.5 million in the third year, and in the fourth year?

Ms Cowdery—The figure for 2009-10 is \$1.382 million.

Senator KEMP—I just want to get this time sequence correct. In year one it is \$330,000; in year two it is roughly \$1 million—I understand these are broad figures; in year three it is \$1.5 million; and in year 4 it is—

Ms Cowdery—No, I think you have that number wrong. Year one is \$333,000; year two, which is 2008-09, is \$1.4 million; 2009-10, \$1.382 million; and 2010-11, \$1.38 million.

Senator KEMP—That is roughly, just adding that up, over \$4 million. Is that right?

Ms Cowdery—Correct.

Senator KEMP—That is a reasonably hefty sum I would have to say. We take that one on record. In relation to orchestras, we will all be aware, of course, of the very important reforms that were made following the review by Mr Strong of the orchestras. I am not sure whether this should go to the department or whether this should go to the council, but I think the orchestras have been on their own, so to speak, for well over a year and I wonder if there is someone at the table who could tell me how this is now working out; namely, are the orchestras enjoying surpluses? Are all the orchestras enjoying surpluses, and are there any other particular matters that you feel you should draw to the committee's attention.

Mr Grybowski—I am very pleased to answer those questions. All but one of the orchestra review recommendations has been completed—that being recommendation 12, which related to occupational health and safety reforms. It is actually quite a small amount, some \$300,000. I have spoken to all the chief executives of the orchestras and we are expecting them to be implemented over the next six months. I can also confirm that the industrial relations reforms, recommendation 9, are all in action or complete.

Senator WORTLEY—What specifically was that reform?

Senator KEMP—Are you asking me a question or are you asking the—

Senator WORTLEY—Sorry, I am asking Mr Grybowski.

Mr Grybowski—Recommendation 9 related to five improvements to improve workplace flexibility for the orchestras, things like the exclusion of non-playing calls, removal of small ensemble loading, general efficiencies in the way that musicians have things included in their working agreements. They have been completed.

Senator KEMP—Has Mr Howard Manley been his useful helpful self in relation to these matters?

Mr Grybowski—He—

Senator KEMP—No. The answer is no. We always know the answer is no in relation to that. Do not worry about it, Mr Grybowski, it was a leading question. Essentially all the major reforms were opposed by Mr Howard Manley and I am glad to see that he was defeated on every account. There was great concern with the orchestras about how the new world would operate and I understand that. I think we all understood that. How are they going in terms of their own budgeting surpluses or deficits? How is that panning out?

Mr Grybowski—We do not have the audited results from 2007 but from the September 2007 figures that they have submitted to us they are all tracking against their submitted budgets, or slightly better than budgets.

Senator KEMP—They show surpluses?

Mr Grybowski—With the exception of one orchestra they are showing surpluses. The one that is a deficit is just an anomaly in this particular year.

Senator KEMP—There were fears with a number of orchestras, the MSO I think was one, that some of these reforms would have an adverse effect on their bottom line. I know that the

bottom line is affected by a large variety of things, including sponsorship and government grants, but being a Melbourne person I am particularly interested to see how they are turning out. Can you give us any information on that?

Mr Grybowski—Again, I cannot speak until we receive the specific audited figures on their results, but they are overall all doing well and ahead of their budget. So in relation to the Melbourne Symphony—I mean none of them are showing eating into their reserve significantly and the one that I referred to is not in any danger of—

Senator KEMP—There were a number of orchestras effectively paying out accumulated debts, the Queensland Orchestra and the ASO—

Mr Grybowski—They have all been retired.

Senator KEMP—They have all been sort of fully compliant and that has all occurred.

Mr Grybowski—Correct, yes.

Senator KEMP—All the orchestras are extremely well placed now to ensure a very prosperous and entertaining future for the public and hopefully for the employment chances for musicians.

Mr Grybowski—Yes.

Senator KEMP—That was a very good policy. It seems to have turned out remarkably well, I have to say.

Senator WORTLEY—Time will tell.

Senator KEMP—Certainly time will tell but I think it is one of those things which certainly appears to have worked out well. Let me now turn to other elements of the Australia Council. You do have money for international touring, do you not?

Ms Keele—Ourselves, yes, we do.

Senator KEMP—As you would understand, I was personally shattered, but of course even more importantly, members of the arts community were very upset, by the removal of the program Australia on the World Stage. Senator Stephens is looking a bit confused. It is a magnificent program. It was cut in these Philistine savings that were proposed by the Department of Finance. A lot of us hope that in due course this will be restored. This is a program which was going to deliver very, very big benefits to Australian performing arts companies and artists. I wonder if you could tell me what programs you have available in the Australia Council's assisted international touring?

Ms Keele—We have a number of programs. There is one called Playing the World Theatre which is a touring program worth about \$300,000, a thing called International Pathways, there is an International Craft Strategy and an International Visual Arts Strategy. APAM is a program which is a performing arts market exposure to presenters around the world and the literature international market development are all programs that work towards international development and opportunities for artists across the full spectrum of the arts.

Senator KEMP—Broadly speaking, how much money?

Ms Keele—About \$2.1 million.

Senator KEMP—Has that been fairly stable over a number of years?

Ms Keele—It goes up and down a little bit.

Senator KEMP—I know you are aware because I kept on pestering the Australia Council on this issue. I have been a little bit concerned about the performance of state governments in relation to the arts. I remember the difficulties we had over a number of arts programs, particularly getting matching funding, or not even matching funding but for the states to pay their share in a number of areas. Does the Australia Council produce statistics such as a time series which shows the contribution of state governments towards the arts and with a breakdown so that people can understand that.

Senator LUNDY—You have asked this before. We have heard this before. You ask this every estimates. I know you do because you used to interrupt me to do it.

Senator KEMP—With a memory and a perception like yours, I do not know why you were not promoted. It just defeats me. It absolutely defeats me. You manage to ping me every time.

Senator LUNDY—I have offered to give you some assistance today and you have refused. So you will just have to struggle on, on your own.

Senator KEMP—We are really rushing. You know that I enjoy nothing more than having an argument with you but I am trying to get some information on hand. Do you keep time series statistics with meaningful breakdowns on what these figures mean about the contribution of state governments towards the arts?

Ms Keele—We have looked into the figures about state involvement with the arts. I do not know if we keep the detail of what you are looking for but I am happy to take it on notice and have a look.

Senator KEMP—I think it is quite important to see because there are a number of states, as I think the Australia Council would know better than I, that seem to be pulling back in a number of areas with the arts. The arts in New South Wales have become somewhat unfashionable with the government. I am quite interested and I am sure the arts community would be very interested to get a bit of an idea of just how arts funding is panning out amongst the states. It is very appropriate that the Australian government be transparent in terms of the allocations it makes, but it would be of equal interest to see what happens in the state area as well. I think from time to time, if I remember rightly, information was produced by the Australia Council but I do think it would be of value if that was available.

Ms Keele—I know that we do have some information. I just do not know how detailed it is, but I am happy to provide that.

Senator KEMP—The new government went into office with a number of new arts policies. Which of those policies are being administered by the Australia Council?

Ms Bean—There are a number of financial commitments that are in the additional estimates. There is the Creative Communities money for which the money has been appropriated to the department but will be administered—

Senator KEMP—How much money is involved in that?

Ms Bean—That is \$10 million over four years.

Senator KEMP—And the Australia Council is in charge of that particular area?

Ms Keele—It is going through the department but I understand that we will be managing that.

Senator KEMP—What is involved with that particular policy?

Ms Keele—We have not actually got into the planning of it all but it is about having communities be more engaged and involved with the arts across the country with a particular focus on rural and regional opportunities.

Senator KEMP—Is there a program called ArtStart? Is that right?

Ms Bean—ArtStart is an election commitment that is not a program at this point. There is still development work underway.

Senator KEMP—That is a commitment which will be administered through the Australia Council or the department?

Ms Bean—No decisions have been taken on that yet.

Senator KEMP—Are there any other arts policies that either the department or the Australia Council is either administering or going to administer?

Ms Bean—There was a very long list of election commitments in the Labor Party arts policy. At this stage most of the development work for all of them is being done in the department. That is not to say that they will be ultimately administered by the department.

Senator KEMP—I wonder if you could take a notice that a full list of these policies be provided to the committee with any information on whether the department or the Australia Council is going to administer them. In some areas it might be vague but I think the committee would want to have a very good idea of what were the policy initiatives that the Labor Government came to office on.

Ms Bean—I certainly have no problem taking on notice the list, but as I said in some cases the decisions have not been made about administration.

Senator KEMP—So ArtStart was one of the policies. Are there any other major initiatives that you can draw to our attention?

Ms Bean—The key initiatives are: there is a cluster of contemporary music initiatives; there is a resale royalty initiative.

Senator LUNDY—Why don't you ask about that one, Senator Kemp?

Senator KEMP—I will be pursuing that one because I am very well briefed because of a discussion paper the department put out on that issue.

Senator LUNDY—Are you not pleased to see it actually in policy and going to happen? I thought you would commend Labor.

Senator KEMP—If we had time I would love to sit here and have an argument with you.

Senator LUNDY—You have commended yourself all night so far.

Senator KEMP—We have too many people here who are very informed and highly paid, and probably not paid enough actually, but we want to get some information.

Senator LUNDY—I am going to ask questions about it in a minute.

Ms Bean—Running from the top there is resale royalty, there is the strategic contemporary music industry plan, boosting music industry exports, private capital investment in the music industry, reduction of barriers to live music performance, amendments to the migration regulations to provide for local support acts—

Senator KEMP—What is involved there?

Ms Bean—Amending the immigration regulations so that international touring acts are required to employ a local support act. There is an arts and disability strategy plan, and a number of what might broadly be called social security in the arts projects.

Senator KEMP—It would be appreciated if you could provide a list to us to indicate what the timelines are on these policies so that the committee will have suitable benchmarks. Madam Chair, that covers my questions to the Australia Council. We have a rather big course to run this evening but, if anyone else would like to ask the Australia Council some questions, I am happy to cease now.

Senator PARRY—I do not know whether this is a reference to Ms Keele or Ms Bean. Who determines executive remuneration for the Australia Council? Who makes the decision?

Ms Bean—The CEO of the Australia Council is the principal executive officer, which means that the Remuneration Tribunal sets the band and then the council—which is the governing board of the Australia Council—has capacity within that band and within annual amounts to make adjustments.

Senator PARRY—So it is CEO'd by the Remuneration Tribunal?

Ms Bean—That is correct.

Senator PARRY—What about the other five executive members? I think there are six altogether—

Ms Bean—They are just employees of the council.

Senator PARRY—They are regarded as 'executive' in your annual report 2006-07.

Ms Keele—Yes.

Senator PARRY—The salary band is from \$130,000 to \$294,000. There are six within that, one under \$160,000 and the remainder above. In light of the Prime Minister's recent statements has any approach been made by the minister to you to wage freeze?

Ms Keele—No, not specifically.

Senator PARRY—Could I ask the minister or the parliamentary secretary whether any approach been made or whether there is any intention to ask the Australia Council to freeze the executive salaries in line with the freeze on salaries over \$127,060?

Mr Borthwick—Similar questions were asked earlier about the department. There have been no instructions given to this portfolio—that is, the department of portfolio agencies—in terms of freezing salaries,

Senator PARRY—Mr Borthwick, that is across every agency which you are secretary of?

Mr Borthwick—That is right.

Senator KEMP—Senator Lundy, are you going to ask a question? I have one follow-up.

Senator LUNDY—My questions were relating to resale royalties, so if the department—

Senator KEMP—We should probably wait for the department to do that.

Senator LUNDY—As long as I get the opportunity.

Senator KEMP—I am sure we will if we maintain a very tight focus and discipline. Going back to Ms Bean, do you have a round figure for the total cost of the Labor Party arts policies?

Ms Bean—I have to take that on notice. There are a number of financial announcements that are in the PAEs. There are also a number of policies which are not at the point where they would have funding attached and that will be for consideration in a future budget.

Senator KEMP—That is interesting. So there are a number of policies that had no funding attached at all. What I would like is a total cost of these policies, if that is possible, in terms of what you are able to supply, and then I want a net cost of these policies; in other words, assuming the total figure for the Labor Party arts policy is X, we take off the \$4 million to \$5 million saved from the Australia Council through the efficiency dividend and we take off the \$20 million which is saved as a result of the cancellation of Australia on the World Stage. So whatever the net figure will be will be minus \$25 million which this government has already imposed on the arts community. Having said that, thank you to the Australia Council, thank you for the information and we wish you well in your endeavours.

CHAIR—Just before we dismiss the Australia Council, I think Ms Cowdery has something.

Ms Cowdery—I just need to clarify the question that you raised earlier in regard to the impact of the two per cent efficiency dividend on the council. The figures I gave you are net of the MPAB supplementation, so the figures I have given you are not as they are presented in table 1.2 of the additional estimates in the book.

Senator KEMP—So the figures you gave me are the accurate—

Ms Cowdery—The impact on the council.

Senator KEMP—They are the impact on the Australia Council. That is fine. To be quite frank, I am a bit surprised that they are so onerous and I am very glad that the Australia Council has drawn that to my attention. Thank you to the Australia Council. As I said, we wish you well.

CHAIR—Thank you officers of the Australia Council.

[9.35 pm]

Film Finance Corporation of Australia Limited
Australian Film Commission

CHAIR—I welcome representatives from the Australian Film Commission and the Film Finance Corporation of Australia Limited.

Senator KEMP—There are just a couple of questions that can be taken on notice if you do not have the information. What appointments have been made to any boards, which I assume in the light of what is going to happen is probably unlikely, but if there have been any appointments that have been made to the boards of either the corporation or the commission that would be of interest. Secondly, what is the impact on the AFC and the FFC of the efficiency dividend announcement by the government?

Mr Rosen—As far as the FFC is concerned, it has no impact whatsoever.

Senator KEMP—That is the interesting. And the AFC?

Mr Fitchett—As to first question, there have been no board appointments since the election. In terms of the efficiency dividend, this year it is \$244,000.

Senator KEMP—How does that pan out in the future years? Have you got year two, year—

Mr Fitchett—In future years the AFC will not exist. It will be Screen Australia. In terms of our appropriation, next year if the AFC continued it would have been \$879,000 and the following year \$888,000.

Senator KEMP—People might read this transcript and say, 'That's interesting. The FFC does not have an impact.' But it has an impact on the AFC. Just for the record, would you like to explain that difference?

Mr Fitchett—The FFC is a company, and the AFC is a statutory authority.

Senator KEMP—That accounts for that difference?

Mr Fitchett—Yes.

Senator KEMP—Can I ask about the very important initiative that was taken—

CHAIR—Mr Tucker would like to comment.

Mr Tucker—Just to assist you on the efficiency dividends, the efficiency dividend for all agencies is set out on page 6 of the portfolio additional estimates.

Senator KEMP—And the total is?

Mr Tucker—This is across Environment as well as Arts.

Senator KEMP—As much as we love the environment, we have already had hours on that so just give me the Arts figure.

Mr Tucker—It is split down only by organisation. You have heard from the Australian Film Commission. You have the Australian Film and Television and Radio School.

Senator KEMP—How much is that?

Mr Tucker—It is \$109,000 this year; going to \$410,000, \$414,000 and \$418,000.

Senator KEMP—That is a big impact.

Mr Tucker—The National Maritime Museum is \$108,000 this year; going to \$469,000, \$470,000 and \$472,000. The National Gallery is \$196,000 this year; going to \$853,000, \$881,000 and \$909,000. The National Library is \$269,000 this year; \$1.186 million, \$1.192 million and \$1,196 million. The National Museum is \$188,000 this year; going to \$823,000, \$829,000 and \$836,000. The Australia Council figures are reported on pages 124 and 125 of that document.

Senator KEMP—Are we talking there about the additional 0.5 per cent or are we talking there about the two per cent?

Mr Tucker—That is the two per cent.

Senator KEMP—They are substantial figures. I am grateful for you drawing those to the committee's attention. There are very important reforms in the film industry, which obviously are still being played out in terms of mergers of these very important agencies. People would be very interested to find out what impact it is having out there in the market. I know it is early days, but how are these reforms playing out?

Mr Rosen—In regard to the producer offset, which is for qualifying Australian films, it is still very early days. As you know, the FFC was charged with administering the offset. We are getting quite a few applications in. As far as the FFC is concerned in funding projects, the producer offset came into force for the December board meeting and it allowed us to fund more projects because the amount of money that the FFC had to put in was less with the offset being there. This year, depending on what happens in the April board meeting, on feature films we will probably increase the amount of films that we fund from about 15 to 20 films.

Senator KEMP—What would the total value of those films be roughly?

Mr Rosen—The value to date on feature film production is \$136 million, with an FFC investment of \$37 million, so roughly a ratio of 3.7 to one.

Senator KEMP—Do you have a total forecast for the next year? Is it too early to say the total number of feature films that will be made? Is it too early?

Mr Rosen—I think it is, because it will be subject to the policies of the new agency.

Senator KEMP—You and I and others had expectations that this would lead to very substantial new investment in the film industry. Are you able to reflect at all to see whether those expectations may be delivered?

Mr Rosen—With change, as you would appreciate, the industry takes a while to get used to that change and to work out how they can fund the producer offset, but we do feel that over the next year or two production across the sector not just in feature films but also in television and documentary will increase.

Senator KEMP—Substantially? Be bold.

Mr Rosen—Based it on the appropriation with the FFC, if you multiplied that out over the next few years, the offset would probably contribute an average of 25 per cent to budget. The FFC funding is at approximately \$60 million going into a new agency, for feature films,

television and documentaries. We would anticipate that would increase the amount of funding by a value of about 30 per cent.

Senator KEMP—By a value of?

Mr Rosen—About 30 per cent more production expenditure.

Senator KEMP—In dollar terms how much is that?

Mr Rosen—At the moment, this year with the FFC we will have generated in excess of \$200 million worth of production, so one would hope with the new agency—and again it is really subject to the policies—that could increase to \$250 million or \$300 million worth of production.

Senator KEMP—In terms of overall production in the film industry, they have had some difficult years. Are you able to draw to the committee's attention the overall production statistics and how they are now trending?

Mr Fitchett—I can predict that there will be more feature films made. We manage the official co-production program and we have already seen more projects coming in than previously at various board meetings using the producer offset, which is a new financial mechanism, and they tend to be bigger budget projects. I think in the future you will see more bigger budget projects and more feature films made in any year. Last year we made 25 feature films. For a country the size of Australia we should be making at least 40.

Senator KEMP—How do you benchmark that?

Mr Fitchett—Looking at other countries, Canada, US and UK. In a population the size of, say, America, with 300 million people, there are about 600 feature films made in a year. With Australia's population of 20 million, I have multiplied it by two and got 40.

Senator KEMP—How is television drama trending?

Mr Fitchett—We do not get involved with television drama much, so I will hand over to Mr Rosen.

Mr Rosen—An upswing in drama is starting to occur. We have seen the ABC doing more drama than it was a few years ago, and the commercial stations are also doing more drama. No doubt the offset will come into play in television quite strongly. The value of that offset for television is 20 per cent. In real terms it is probably nearer to 17 per cent because there are some exclusions to a budget. The information we have received so far from several producers such as Southern Star is that they feel they will be able to do more production using the offset.

Senator KEMP—Are you able to detect an increasing level of confidence amongst the film community?

Mr Rosen—As I said, the film community is coming to terms with the new incentive. Also within the industry there is a merger of a new agency, so it is just trying to work out how that work and how funding would happen. I think overall the industry, although it has some concerns as to how it will work, is starting to embrace it.

Senator KEMP—Although there was overwhelming support for offset and the reforms that were announced by the previous government, which I take some pride in, there were a number of issues that the sector still wanted the government to address. Are there any issues

that, at least as far as members of the film sector are concerned, are outstanding and you would like to address? Ursula Stephens is here. She will be a great lobbyist for the film industry.

Mr Rosen—With the merger happening, the legislation is starting to work its way through parliament. Once that is done the industry will engage with the agencies to see how everything is going to move forward and be consulted. It is too early to tell.

Senator KEMP—How are the merger plans going? What have been the reactions of staff? What plans are currently in train to ensure that? Is it correct that the new entity will exist as at 30 June?

Mr Fitchett—From 1 July 2008. Mr Rosen, myself and Daryl Karp, who is the Managing Director of Film Australia, have been working together with the department to make sure that happens and there is a smooth transition from the three agencies to one, that there is a continuation of the programs that we currently do and that they are delivered to the industry. At the same time we are demerging the NFSA, the National Film and Sound Archive, which is to happen on 1 July, when they will become an independent statutory authority.

Senator KEMP—Was that the policy?

Mr Fitchett—Yes.

Senator KEMP—How does property work itself out? You are not located in the same buildings? Is there an intention for you to come together in the one building?

Mr Fitchett—The National Film and Sound Archive will obviously be in Canberra. The intention is eventually one building with Screen Australia.

Senator KEMP—Is that aspect still in train for a later decision?

Mr Fitchett—No decision has been made. On 1 July we will still have offices in Melbourne, Brisbane and Sydney.

Mr Tucker—I chair the group with the CEOs that is looking at the things that we need to do to move three bodies into one agency and have the NFSA as a separate authority, and what we are working through are all the practical things need to be put in place for a new agency to be ready as much as it can be on day one. That includes employment arrangements and the accommodation arrangements. It is all of those mechanics. We are working through in a positive way so that all of those things will be available for the new agency to get up and running as quickly as it can.

Senator KEMP—What numbers of staff are involved?

Mr Tucker—It is Film Australia Limited, AFC and Film Finance Corporation.

Senator KEMP—For the record, what numbers are involved?

Mr Rosen—With the three agencies?

Senator KEMP—Yes.

Mr Rosen—It is still subject to the separation of the NFSA and also Research and Statistics going to AFTRS. At the moment it looks like it will be somewhere between 170 and 190 people, depending on the transfer.

Senator KEMP—From where I sit, people seem to have adopted a very positive approach to this, and that is encouraging. We understand that these things are never easy. As a total outsider now, I congratulate you; this appears to have been well managed. These things are often not easy. Again for the record, what is the total value of the film package announced in the last budget?

Mr Rosen—I believe it was \$284 million over four years.

Senator KEMP—As I said, we were working together to develop that package and it seems to me to be working well. We thank the film agencies for attending and we will look with great interest at how these things pan out.

CHAIR—There may be other senators with questions.

Senator KEMP—Do not waste time. We have other agencies.

CHAIR—Senator Lundy?

Senator LUNDY—I am interested in the progress of the demerger between the AFC and the Australian Film and Sound Archive. What is the process to allow that to happen? Mr Tucker, are you chairing a demerger committee as well? Can you explain the process?

Mr Tucker—There is a demerger committee, which I am not on; one of my staff is on that committee. I should say in advance that the legislative basis for all of these will hopefully be introduced to the parliament shortly. Those draft bills—

Senator LUNDY—Those are being circulated.

Mr Tucker—Three bills will come in that will describe the set-up for Screen Australia, the National Film and Sound Archive and what we call a transitional consequential bill, which deals with the nitty-gritty of the demerger and merger. They will describe the legislative arrangements by which these things can happen. There are two committees, one that I chair dealing with the merger of the three agencies into Screen Australia, and another committee being run principally by the Australian Film Commission, of which the National Film and Sound Archive is currently a component, with a member of my staff involved in looking at the practical arrangements that will need to happen to put that in place, again by 1 July.

Senator LUNDY—Who is authorised to make decisions about how that demerger is being approached within that committee or will that be ultimately governed by the legislation?

Mr Tucker—The legislation describes the framework. Obviously one of the other major decisions that will decide what goes is the budgetary decision. That will be the funding basis. That will be taken by the government.

Senator LUNDY—So, that will guide a big part of it?

Mr Tucker—Clearly. There will be input to that decision, what we think those figures are, through that process. It is probably easier for Mr Fitchett to talk about some of the assets and functions, because they are quite clear in many respects.

Mr Fitchett—The NFSA Steering Committee, as we are calling it, is Chaired by Maureen Barron, who is the chair of the AFC. I am on the committee. Dr Paolo Cherchi Usai, who is the Director of the NFSA, is on the committee, and Peter Young from the department is on the committee. At the moment we are looking at all the issues to do with transferring assets and

liabilities, what the NFSA needs on 1 July to operate as an independent statutory authority in terms of corporate governance, financial systems, emails, et cetera. It is that sort of detail.

Senator LUNDY—Are there any assets transferred into the merged entity that will not be transferred back to the NFSA, or will everything that came in go back to them as an independent statutory body?

Mr Fitchett—No, not that I can think of at the moment.

Senator LUNDY—Do you envisage that assets that came in will go back to that institution?

Mr Fitchett—Yes.

Senator KEMP—Is it correct that last year was a better year for the box office in terms of the share of Australian movies?

Mr Fitchett—The previous year, being 2007, was *Happy Feet*, and the year before was also *Happy Feet*. *Happy Feet* went across two calendar years.

Senator KEMP—What was the Australian share of the box office?

Mr Rosen—Last year it was about 3.8 per cent.

Mr Fitchett—The previous year it was about 4.2 per cent.

Senator KEMP—They are still very low. What is the record year? Is it around about seven or eight per cent?

Mr Rosen—It depends on what year you are looking at. If you go back to the year of *Crocodile Dundee* and when the *Man from Snowy River* came out, those two films between them took in excess of \$70 million and at that time box office in the year was about \$400 million to \$450 million. The environment is a lot more competitive now. Far more films are being released. There are over 330 films released a year, of which Australian films amount to about 25 films, as Mr Fitchett said earlier. It is a very competitive market.

Senator WORTLEY—Can you give me an update on the relocation of the statistics and research function of the AFC and where that is at?

Mr Fitchett—Again, we are working with the AFTRS on making sure that the research and statistics functions, which are currently managed by the AFC, will transfer across to the AFTRS, again on 1 July 2008. And that publications such as *Get the Picture* and the national drama survey will still be delivered to the industry but under the management of the AFTRS and not the AFC.

Senator WORTLEY—Is it expected that the more than 5,000 inquiries per year from government, industry, media and so on will then be picked up by the AFTRS?

Mr Fitchett—We are working through what capabilities in terms of research, statistics and information the new agency, Screen Australia, will need. I would imagine in the future that some of those inquiries will go to AFTRS and some will go to Screen Australia.

Mr Tucker—As Mr Fitchett said, it is very much a work in progress. It is still being sorted through. The government will still have to take the final decision on how it wants to deal with that, but they are the options we are currently working through.

Senator WORTLEY—Does it look as though it will be divided between the two agencies at this stage?

Mr Tucker—It may be. The government is yet to make a final decision on how it wants to handle that.

Senator PARRY—Mr Fitchett, there are six executive officers in your section who receive in excess of \$130,000 per annum. The range is \$175,000 to \$235,000. Who sets the salaries for those six executive officers?

Mr Fitchett—My salary is set by the Remuneration Tribunal. That is the band, and then our board decides where it is in that band.

Senator PARRY—In consultation with you?

Mr Fitchett—No.

Senator PARRY—Mr Borthwick has given the blanket answer that you have had no indication of a wage freeze, so I will leave that.

Senator LUNDY—I was interested in the Screen Heritage Online Project. Could you give me a brief update on that and tell me whether that will stay with Screen Australia or will it go to the Film and Sound Archive?

Mr Fitchett—Is that the Australian Screen Online?

Senator LUNDY—Yes.

Mr Fitchett—At the moment the plan is that it will go to Screen Australia. It was part of the additional money that came through with the World Class Film Industry policy package, and the AFC division called the Industry and Cultural Development has been managing that particular program, Australian Screen Online, and Industry and Cultural Development will be part of Screen Australia.

Senator LUNDY—Would that not be a better role for the National Film and Sound Archive, given its record with our screen heritage?

Mr Fitchett—There is material from the National Film and Sound Archive on that site. There is also material from the ABC and material from independent filmmakers.

Senator LUNDY—But the Film and Sound Archive has all the expertise for managing sources of material.

Mr Fitchett—Yes, in terms of their collection, but this is more than their collection.

Senator LUNDY—Why is that?

Mr Fitchett—It includes material from the ABC. Eventually it will be material from independent producers, et cetera.

Senator LUNDY—So does the National Film and Sound Archive.

Mr Fitchett—There is a wider amount of material on that site than is currently in the national collection.

Senator LUNDY—Why would you keep that role if there is an institution that already does that as core business?

Mr Fitchett—The core business of the NFSA is in terms of its national collection, and a lot of the material that is on the Australian Screen Online is not currently part of the national collection. At the moment it is being managed by a particular division within the AFC, and very well managed.

Senator LUNDY—Has there been any discussion about that division going completely to the NFSA?

Mr Fitchett—No, there has been no discussion on Industry and Cultural Development.

Senator LUNDY—Why not? I am just asking straight-up. I am interest in online anything so I want to know what your thinking is about it.

Mr Fitchett—One of the main things that Industry and Cultural Development does is funding programs, such as the Melbourne Film Festival, the Brisbane Film Festival, the St Kilda Film Festival, the Regional Digital Screen Network in regional areas, which is like a touring film festival of Australian programs. There is a lot of funding going out the door, if you like, which suits what Screen Australia will be doing. For example, Industry and Cultural Development funds the AFI Awards. It funds the Independent Film Awards. It funds conferences.

Senator LUNDY—They have obviously got a very important role, but none of those things seem to take away from the point that there is a collection role at the NFSA. Has that decision been made or is it something for your committee to still toss around?

Mr Fitchett—The committee is looking at issues like that, as to where it would be best managed.

Senator LUNDY—So, that decision has not been made formally yet?

Mr Fitchett—At the moment the plan is that it will go to Screen Australia.

Senator LUNDY—Has that decision been made?

Mr Fitchett—No, not formally.

Senator LUNDY—That is what this committee thinks?

Senator KEMP—Keep on lobbying.

Senator LUNDY—I am very interested.

Senator KEMP—Shameless lobbying from Canberra. But that is fair enough. You need to understand what you are doing, that is all.

Senator LUNDY—If the decision has not been made and there is an alternative view, which there obviously is, how would that alternative view be expressed through the committee and have that factored in by any decision that the minister would ultimately make?

Mr Fitchett—This is the first time I have heard the alternative view.

Senator LUNDY—I am expressing it. It has been put to me that this would be a fantastic thing for the National Film and Sound Archive to do.

Senator KEMP—The archive expressed a view to Senator Lundy that it wants to have it.

Senator LUNDY—Do you disagree?

CHAIR—Senator Lundy is asking a question.

Senator KEMP—I am just making it clear for the *Hansard* that Senator Lundy is raising it here. We have all noted that. We all know what you want. We have lots people. Can we move on?

Senator LUNDY—I want to get it clear. A formal decision has not been made but it is a view of the committee?

Mr Fitchett—Yes. The point is that it is being managed by the Industry and Cultural Development Division. It was an initiative of the Industry and Cultural Development Division. At the moment that division is transferring across to Screen Australia, so it is part of that.

Senator LUNDY—So, it is just lumped in with that?

Mr Fitchett—Yes.

Senator LUNDY—What is happening with the digital post production sector within the AFC?

Mr Fitchett—We do not have a digital post production program.

Senator LUNDY—I know you have had some investments in digital content and so forth.

Mr Fitchett—The Regional Digital Screen Network?

Senator LUNDY—I cannot remember the name of the program. If that was it, what is happening with it?

Mr Fitchett—There are digital cinemas in eight regional areas, where they show Australian films on digital projection. Recently Tropfest, the film festival from Sydney, was broadcast to those areas. The *Nutcracker Suite* was a couple of months ago. The opera *Carmen* will be.

Senator LUNDY—How do you organise that broadcast to those digital cinemas? How does that system work?

Mr Fitchett—It is via satellite. Do you mean in terms of live broadcast?

Senator LUNDY—Yes.

Mr Fitchett—It is via satellite. If it is an Australian film, a digital copy of the film is digitally projected at the cinema.

Senator LUNDY—Via satellite?

Mr Fitchett—Not if it is a film. If it is a live broadcast, yes, via satellite.

Senator LUNDY—So, it is not like video on demand, downloading or anything?

Mr Fitchett—Sorry, it is not like?

Senator LUNDY—Video on demand.

Mr Fitchett—No.

Senator LUNDY—Haven't you heard of that?

Mr Fitchett—I have heard of it.

Senator LUNDY—Thank God for that.

CHAIR—Are there any further questions for these two organisations?

Mr Rosen—I wanted to add something to the first question the senator asked. The FFC has had no further board appointments.

Senator KEMP—Thank you.

CHAIR—I thank the officers.

[10.05 pm]

Australian Film and Television and Radio School

Senator KEMP—Thank you. Firstly, we should congratulate Sandra Levy on her appointment. The appointment was of course announced some time ago, but this is probably the first time you have appeared before this committee in this context. We have seen you here in other guises before. Anyway, we welcome you here. I suppose what interests me particularly is this major initiative of the move of the film school towards the centre of Sydney. How is this going? Are we on time and on budget, as they say? When will the move be completed?

Ms Levy—The school is currently situated on the Macquarie University campus at North Ryde, which is about 20 kilometres from the centre of Sydney, and the school is having a purpose-built and designed building constructed in the entertainment quarter of the Moore Park site adjacent to the Fox Professional Studios. The building is very close to completion. We start moving in in about five weeks. The library is packing up the week ahead of Easter. The library moves first and we move progressively over the four weeks that follow. We intend to all be there except for the radio school, which I think moves a couple of weeks afterwards—by the beginning of May, anyway. The building is a state-of-the-art, very exciting building right in the middle of the film precinct in the middle of the city, and it will make a very big difference to the way the school is able to interact with the industry.

Senator KEMP—This sounds like a fantastic project. When was the decision made?

Ms Levy—In 2005.

Senator KEMP—That is excellent. It sounds to me like a very wise decision at the time. How many students will be involved? What are the total student numbers at the school now?

Ms Levy—The student numbers vary depending on what sort of course it is. We have short courses, which are industry focussed courses, which can be as short as one day or as long as three or four months. We have certificate courses, which are six months, and we have full-time courses. Across the country and across a year it is probably about 150 to 200 full-time students and probably in Sydney a couple of thousand students doing short-term industry focused courses.

Senator KEMP—Has the number of full-time students been fairly constant over the years?

Ms Levy—It has been, because the school has set the limits on the numbers of full-time students that it has taken in to date. This year, because of the move to the new building, it was decided to take the opportunity to not have students this year and look at the full-time courses and re-examine what we are doing in the light of all of the changes happening in the industry

and all the changes happening in technology and to review whether or not the school is still continuing to meet the highest standards. This year, there is no intake on the masters course, but there will be a new intake next year.

Senator KEMP—I just missed the last part of that.

Ms Levy—There is no intake of new full-time students this year. Next year, given that we are re-examining the courses, we may well have a bigger intake.

Senator KEMP—Do you benchmark yourself against international film and television schools overseas? Can tell us how you are performing compared with those institutions?

Ms Levy—There are not many film schools in the world that we can benchmark ourselves against, because each film, television and radio school is different. Many of them, of course, do not include radio. But we do look to international best when we try to benchmark what we do. There are some significant film schools, such as the UCLA schools, funded with enormous grants from George Lucas. There was a \$175 million grant from him recently. The Danish film schools have a very high standard. The German film schools have a very high standard, as do the British ones. We look constantly to what they are doing and how they are doing it and re-examining what we do to ensure that we are still working to the very highest standards internationally.

Senator KEMP—What is the ongoing funding of the school at the moment?

Mr Bilimoria—For the current financial year, there is a government appropriation of \$23.5 million, and that will increase slightly over the ensuing years, to \$25 million in 2008-09 and \$25.5 million in 2009-10.

Senator KEMP—Just to refresh my memory—and Mr Tucker may have this—what efficiency dividend is imposed on the school?

Mr Tucker—As I read out the figures earlier, they are \$109,000 this year; next year, \$410,000; the year after, \$414,000; and the fourth year, \$418,000.

Senator KEMP—Ms Levy, will that be difficult to meet? The answer is ‘yes’, of course. We understand that. The next question is: how do you propose to meet it?

Ms Levy—We are currently looking at the budget for next year in the light of our full-time programs and what we can manage. We will be attempting to address that very question as we plan the new courses that we are bringing in.

Senator KEMP—My major aim is to see how this very important initiative is going. I am delighted to hear that the whole thing is being completed in such a short period.

Ms Levy—I did not answer the part of the question that asked whether it was on time and on budget. It is slightly delayed but it will not affect our ability to move in. We are about six weeks’ behind, which given the weather that Sydney has had recently is probably quite remarkable. We are on budget from the point of view of the total project. That part of it is going well.

Senator KEMP—Just for the completeness of the record, have there been any recent board appointments?

Ms Levy—No, there are no recent board appointments.

Senator KEMP—Thank you for that. That is most helpful.

CHAIR—Are there any other questions of the school? If not, thank you very much for appearing tonight and we will move now to the National Gallery of Australia.

[10.12 pm]

National Gallery of Australia

Senator KEMP—Mr Radford and Mr Froud have been before this committee on many occasions, particularly Mr Froud. They will be delighted to know that I am not going to ask any of the usual questions. No-one has contacted me from the National Gallery of Australia and requested that I ask the CEO this question or that question. What I want to look at, of course, as you would expect, is the expansion program. Could Mr Radford or Mr Froud give us a summary of where the expansion program is at? Perhaps just for completeness you could give a summary to the committee of what was intended with the program, when it was approved, what was the budget and how it is going?

Mr Radford—I believe the decision was on 13 December 2006 to spend \$72.9 million on stage 1 of a two-stage project. Stage 1 is a new entrance, new Indigenous galleries and new facilities. The building began in October. It is in progress and I understand that cranes will appear on 12 August at 11.30. Is this enough detail?

Senator KEMP—Yes. That timing is valuable.

Mr Radford—We are all very excited about it.

Senator KEMP—What is the completion date?

Mr Radford—December 2009 is when the building itself will be passed over to us.

Senator KEMP—You said that the total budget was \$73 million. I thought we gave you more money than that. I thought it was significantly more.

Mr Radford—There was money before that granted for the refurbishment of the current building, which would take it up to \$92.9 million.

Senator LUNDY—That includes a loan from the government.

Senator KEMP—This is a very important expansion program and it is really the first major expansion program since the gallery was established.

Mr Radford—Yes. The first collection display space it has had since the building was conceived in 1969.

Senator KEMP—Would you like to tell us a little bit—

Senator LUNDY—When was the building completed?

Mr Radford—In 1982.

Senator LUNDY—Thank you.

Senator KEMP—I know that you are a naturally shy person and therefore this will be difficult for you, but could you perhaps explain to the committee what is going to be done with this expansion, the galleries that are going to be revealed to the public and why this is very important to Australia?

Senator LUNDY—Before you do, can you tell me whether there is any truth to the rumour that Senator Kemp's name is going to be etched in Braille on the facade of the building?

Senator KEMP—Just completely ignore that!

Mr Radford—The National Gallery of Australia has the largest Indigenous collection that exists. When the building opened it had no permanent place to show that collection. Now it will be able to show that collection and for the first time each type of Australian Indigenous art will be shown in different galleries. In other words, the smaller dot paintings, the larger dot paintings, the early bark paintings, textiles and prints will have their own separate and specially designed gallery to show this rich collection of ten galleries of Indigenous art. As everybody knows, there have been quite a lot of complaints that no-one knows how to get into the building, which is not so good for a national gallery, so there will be an entrance on the ground level with facilities for the disabled and so on, which we do not have at the moment.

Senator KEMP—But this will solve the famous front door issue?

Mr Radford—Yes.

Senator KEMP—How much of the artwork is displayed at present?

Mr Radford—The building was designed in 1969 to show 1,000 works. We now have over 140,000 works.

Senator KEMP—Each year, of course, you allocate a significant amount of money to build the collection. Perhaps this may be for Mr Froud, but would you like to give us an idea of how much has been spent in recent years in adding to the collection in the Gallery?

Mr Radford—We might have to take that on notice. In the last couple of years we have had gifts of money and works of art coming to about \$18 million, which is money that we have raised ourselves.

Senator KEMP—The \$18 million applies to, what, the last year, did you say?

Mr Radford—No, the last couple of years. That also refers to money that we have raised for exhibitions as well, so sponsorships—

Senator KEMP—How much can you fund from your internal revenues apart from what you are able to obtain from additional sponsorship?

Mr Radford—Do you mean the recurring government grant?

Senator KEMP—Yes.

Mr Radford—Four million dollars.

Senator KEMP—Each year? So, you have been able in the last couple of years or 18 months to raise about \$10 million?

Mr Radford—We have been linking it to our 25th birthday celebrations.

Senator KEMP—Could you indicate to us what plans you have in place for exhibitions in the next 12 months?

Mr Radford—Yes, we have many exhibitions. We are just about to open the surrealists exhibition, *Australian Surrealists: The Agapitos Wilson Collection*, which was one of the

major acquisitions for our birthday. It was an over \$6 million acquisition and is the largest collection of Australian surrealism. That is about to open. The Prime Minister next month is opening an exhibition called *Turner to Monet: The Triumph of Landscape*, which surveys for the first time the whole gamut of Western landscape painting from the beginning of the 19th century right through to the end, including Australia. That will be the major blockbuster for this year.

Senator KEMP—A number of years ago—and you would be aware I had some experience of this—you were able to arrange tours for people in Parliament House through the Gallery and the exhibitions. I do not know whether that program continues, but if it possibly can—

Senator LUNDY—Do three before July, I think is what Senator Kemp is trying to say.

Senator KEMP—What am I saying?

Senator LUNDY—We are trying to organise three of them before July.

Mr Radford—We will be trying to organise tours for parliamentarians particularly through the *Turner to Monet* exhibition, which I think will bring great joy to all politicians and other Australians.

Senator KEMP—That is excellent. Have there been any board appointments in recent times?

Mr Radford—No.

Senator KEMP—What is the effect of the increase of the efficiency dividend on the National Gallery?

Mr Radford—It is about \$200,000 this year.

Senator LUNDY—They have already been read out.

Senator KEMP—You used to be fascinated by these figures.

Senator LUNDY—But I only had to hear them once.

Senator KEMP—I have been through Senate estimates for years with you asking for these figures. I just thought they were standard. I do not know why you are objecting to it?

Senator LUNDY—But they have already been read out. I do not mind clicking over another few minutes listening to them again.

Mr Tucker—They are in table P1 on page 6 of the portfolio additional estimates statement. Just to assist you: National Gallery, \$196,000 this year, 853 the following year, 881 the year after and 909 the year after.

Senator KEMP—Perhaps the obvious question now is: how is the Gallery going to meet these commitments?

Senator LUNDY—They are not going to do the braille.

Senator KEMP—Senator Lundy used to be very worried about this issue in the past. She has gone soft on it, I fear.

Mr Radford—The senior staff and our council will be deciding on priorities and, hopefully, we will not be cutting programs but we will be looking at ways of saving by staff

attrition and those sorts of things. We will be looking at priorities in the next couple of months.

Senator KEMP—I should warn you that Senator Lundy will be very worried about any staff cuts. Senator Lundy, you had better ask those questions; you always do. I have finished my questions. I am delighted to hear that this important expansion appears to be going well and is on track.

Senator LUNDY—I want to ask about the road. There is quite a bit of disruption to the road. How much of that is directly caused by what is going on at the Gallery? I presume all of it. How long is that road likely to be closed? What will be the changed configuration at the end of it?

Mr Radford—I will answer part of that and I will put the rest over to Mr Froud. A lot of it is to do with us. It will definitely all be reopened by the 14th of next month, which of course is the Prime Minister's opening—

Senator LUNDY—Of the *Turner to Monet* exhibition, yes.

Mr Radford—That is why we are racing to get rid of it. Part of it was caused by the roundabout, which was not necessarily to do with us—

Senator LUNDY—That is the roundabout on that—

Mr Radford—Yes, partly that and partly the drainage.

Senator LUNDY—King Edward Terrace going on to Kings Avenue?

Mr Froud—Onto Bowen Drive actually, before Kings Avenue; that intersection was a blackspot.

Senator LUNDY—So they are going to put in a big roundabout there?

Mr Froud—Yes.

Mr Radford—Part of it is the extra drainage for flooding. Precautions are being made for both us and the Portrait Gallery. Drains had to be dug, and so on, which is nothing really to do with the roads but it is where the roads are. Then they have to be remade. That is the cause of that, unfortunately. But it will be finished.

Senator LUNDY—At the moment there is a sign up saying that you cannot get to Fyshwick from Commonwealth Avenue through the Parliamentary Triangle because of the roadworks. Do you know whether, once that is all finished, you will be able to get through to Fyshwick once it is reopened? They are not changing that?

Mr Froud—Yes, you will still be able to get through.

Senator LUNDY—What will the car-parking arrangements be at the Gallery once these roadworks are finished? Will it be the same as it was before? How will it work?

Senator KEMP—Are you really keen to get an answer to this question? Car-parking arrangements at the National Gallery? This is the National Gallery of Australia.

Senator LUNDY—It is interesting because at the moment—

Senator KEMP—We have a lot of agencies here and we wish to move it along.

Senator LUNDY—you have to go right around the long road and then underneath, which is confusing. I went to a function at the Gallery on Saturday night, and people were stopping before they got to the car park because they thought they were in the wrong place. The signage was not clear. They were doing U-turns. You know where I am talking about?

Mr Radford—Yes, I do know.

Senator LUNDY—They were doing U-turns there and going back out because they did not understand that you needed to follow the service road, if you like, all the way around to the underground car parking. Can I flag that? These were members of the diplomatic corps. I saw their number plates. It worries me that it is really frustrating people at the moment.

Mr Froud—A temporary car park is under construction as part of this work, which is also planned to open at the same time, by the middle of March. Some of the parking that was immediately in front of the Gallery has been removed for the building activity, but a temporary car park is under construction at the moment and will be available towards the end of March. We have also preserved our underground car park exclusively for patrons. We are not allowing access to that car park until we open at 10 am each day.

Senator LUNDY—Is that underground car park going to be affected by construction at the gallery at all?

Mr Radford—Not at all. It has not been and it will not be.

Mr Froud—Although it will be slightly increased. There will be a few more parking spaces underground in the new configuration.

Senator LUNDY—I would like to add my congratulations on how it is proceeding. As I know we have said before, the presentation of the galleries is looking really good.

Mr Radford—The bigger problem, though, was solved in stage 2.

Senator WORTLEY—What progress has been made in making all of the collections available online?

Mr Radford—We committed to do 10,000 a year. This year so far we have done about 4,600—just under half. We are little bit behind this year because of a radical change in IT staff.

Senator LUNDY—A radical change?

Mr Radford—Yes, new staff. So we hope to keep up our 10,000 a year.

Senator WORTLEY—Mr Froud, last budget estimates we talked about stage 1 and stage 2 of the report on the cancer cluster at the gallery. Can you update us on that? We were waiting on stage 2 of the report.

Mr Froud—Indeed, and we still are waiting for that. The latest advice we had from the independent investigation, or the expert panel investigations, is that they expect to have a report to us in the next few months certainly. It was expected in the first half of this year. That is the latest advice. That represents a bit of a delay on what was originally expected. Some of those delays are related to the time taken for the various ethics committees to give approvals for access to information, et cetera. That process actually took a little longer, but the

information is being gathered and analysed and we expect to receive a report in the next couple of months.

Senator WORTLEY—I note that in stage 1 there were 25 staff that participated in the interviewing process and it stated that that was 10 per cent of the full staff, but the full staff was given as 240 full-time equivalents.

Mr Froud—Yes.

Senator WORTLEY—There would have in fact been more individuals.

Mr Froud—Yes, correct.

Senator WORTLEY—Would that, in reality, have been less than 10 per cent of the staff?

Mr Froud—Yes.

Senator WORTLEY—Do you know if in stage 2 there will be a greater sampling?

Mr Froud—The sample for the stage 2 is actually everybody who has ever worked for the National Gallery has been written to.

Senator WORTLEY—That was my request.

Mr Froud—Yes. What the level of response is of course is something that we will not have any control over, but that certainly is the approach that is being adopted.

Senator WORTLEY—Where the people are not available but their family is available, is information being sought in those instances?

Mr Froud—The methodology has been to send a letter to the last known address of former staff and that has elicited, as you would expect, some advice about people who have not been able to be contacted or families at times responding on behalf of former staff. Those replies, I might say, are not coming to the gallery. I am given to understand that is the case, because they are actually going back to the investigation team.

Senator WORTLEY—The documenting of the risk assessment of hazardous substances and exposures including that of worker training, record keeping, proper labelling and so on was in the process last time we spoke. How far has that developed?

Mr Froud—I think all of that information has now run its course. I think I have some material here that I can refer to.

Senator WORTLEY—You said last estimates that the inventory of the hazardous substances had been completed.

Mr Froud—Yes, that had been.

Senator WORTLEY—But then there was the ongoing documenting of the risk assessment of hazardous substances.

Mr Froud—All of that has been completed, yes.

Senator WORTLEY—Including training?

Mr Froud—Yes.

Senator WORTLEY—Thank you.

CHAIR—Are there any further questions of the Gallery? If not, thank you very much for attending. We will call the National Library of Australia, please.

[10.31 pm]

National Library of Australia

CHAIR—We welcome the officers of the National Library of Australia. Are there any questions?

Senator KEMP—I am always pleased to see Jan Fullerton from the National Library. I understand that you have been appointed to a further 40 years as a CEO at the National Library, is that about right?

Ms Fullerton—It seems like that. Yes.

Senator KEMP—Congratulations on that appointment. How is the great podium project going?

Ms Fullerton—I will let my colleague, Gerry Linehan—

Mr Linehan—The project is progressing very well. We expect to complete stage 2 by mid March. That should see almost 50 per cent of the podium completed and the remainder of the project should be finished this calendar year.

Senator KEMP—That is on time and on budget, as they say?

Mr Linehan—In the context of the original budget that was based on preliminary cost plans of around \$11 million, we expect the final expenditure to be around \$14 million. There has been some delay in the completion of the works in part due to the rain, also in part due to some of the complications with the temporary structure that we have to erect as part of that and other issues in relation to the surface under the podium itself that we could not predict.

Senator KEMP—I will leave the car parking issues to my colleague, Senator Lundy, but I wonder whether you could indicate to me, one of the issues that the—

Senator LUNDY—Senator Kemp—

Senator KEMP—You always manage to cut to the chase on the key issues, so I did not want to steal your thunder. One of the issues that the library has had to deal with is how you use what I think in common parlance is the depreciation funding. Perhaps you might like to tell me how that issue is going, where is it at at the moment and has it been fully resolved?

Ms Fullerton—It has not been resolved and I think it is still under discussion.

Senator KEMP—Perhaps just for the enlightenment of the committee you might like to explain to us what issues are involved there. I knew I would give you an easy one.

Mr Linehan—Yes. I think the broader context is looking at supplementation for cultural agencies for the depreciation of the collection. Some of the issues are the certainty of the funding supplementation linked to increasing valuations of the collection. I think in a broader sense it is trying to provide certainty to both government itself and the agencies, what funding they can expect in the future and have some control.

Senator KEMP—Which in the past has provided an important source of funding.

Mr Linehan—Correct.

Senator KEMP—What is the amount of money involved?

Mr Linehan—For collection depreciation we are looking in the order of around \$12 million per annum.

Senator KEMP—I mean, it is always the Department of Finance, but we are always fighting, we know that. But what is the alternative proposal?

Mr Linehan—That is a proposal that is currently being considered by Department of Finance and Deregulation at the moment and no doubt the portfolio department. No decisions have been made in that regard.

Senator KEMP—How has that figure developed over recent years?

Mr Linehan—It has increased over recent years.

Ms Fullerton—It is based on the value of our collection.

Senator KEMP—But that is just for the information of the committee. Are you able to give us some rough figures on how that figure is—

Mr Linehan—I think it may have increased from around \$4 million to \$12 million over the past several years.

Senator KEMP—Past several years?

Ms Fullerton—There was a change in the way our collection was depreciated, a greater percentage of the total collection is now depreciated. Originally it was only part of the collection.

Senator KEMP—That unfortunately from the National Library's viewpoint is a major achievement of course, is it not? That provides an important source of funding.

Ms Fullerton—Yes. That is the funding we primarily use for acquiring material.

Senator KEMP—I will put this on notice for all the collecting institutions. Could you indicate how the outlays of the National Library have increased? Let us pick a random year, 1996. This would be very handy. It would of course include the depreciation funding, which has been used. Is the Library concerned that it may lose that source?

Ms Fullerton—Yes, we certainly expect some change in the arrangements.

Senator KEMP—That of course would apply to the collecting institutions, too, would it not?

Ms Fullerton—It would apply to that part of the—

Senator KEMP—Fortunately, Senator Stephens is with us, who should have been a minister; she has great influence in the new government. I may not be here for too much longer. I will be on this earth, I hope, but not in this parliament. It is important to look closely at what happens in this area because this is a very important source of funding for the collecting institutions, and it would be very nice if someone in the government could take a particular interest in it. Let me say no more. The other big issue that you and I worked closely together on—I have to say not without great success—is to see what proportion of your

collection could be put online, and there was a lot of effort to see whether we could do that. I think you did find some funding in the end. How is that going?

Ms Fullerton—The greater issue for us is dealing with that part of our national memory that is created in digital form.

Senator KEMP—Yes.

Ms Fullerton—We are facing great difficulty in dealing with that.

Senator KEMP—How much is required in order to deal with that issue?

Ms Fullerton—A large amount of money.

Senator KEMP—Are we talking tens of millions of dollars?

Ms Fullerton—We are talking probably \$20 million, something of that order, to position us to give—

Senator KEMP—That of course could be phased in over a number of years?

Ms Fullerton—Yes.

Senator LUNDY—So that would have been a feature of your arts policy at the last election, Senator Kemp? Was it? Did you have an arts policy?

Senator KEMP—I think as one knows—

Senator LUNDY—I don't think you did.

Senator KEMP—I think we had a very similar arts policy to the one you had when you were the arts minister, Senator, which was in 2004. I do not think an arts policy appeared in that year.

Senator LUNDY—I am just asking whether or not it is the coalition's policy to do these sorts of things.

Senator KEMP—This is a very important issue. It will affect all the collecting bodies and it involves millions of dollars.

Senator LUNDY—I would want to see it in your policy. Was it in your policy?

Senator KEMP—Making a rather cheap snide comment, Senator Lundy, is not focusing on the main play here. You are now in government, you have the levers. I did my best when I was there and people will judge you whether you have done your best. I would advise you and Senator Stephens to look very closely at this issue, because the department of finance, if it makes an adverse decision on this matter, will have a profound effect upon the collecting institutions.

Senator LUNDY—Is it your policy—

Senator KEMP—Let me just leave it there.

Senator LUNDY—Is it your policy to keep it?

Senator KEMP—But I record that you can pick up the torch and you can carry it. You now have a minister and you can bang on his door and indicate how important it is.

Senator LUNDY—Did you have an arts policy for the last election?

CHAIR—Senator Lundy—

Senator LUNDY—The answer is, no.

CHAIR—Are there any further questions for the Library? Senator Lundy?

Senator KEMP—How about car parking?

Senator LUNDY—I want to know if it is true that, when you look at the National Library from above, Senator Kemp's name is etched in a different colour in the slate on the podium.

Senator KEMP—We are running out of time. National Museum.

CHAIR—Are there any further questions?

Senator LUNDY—I wanted to follow up on the issue of the digitisation of the collection. That is an issue I am very interested in. Obviously, with the resources available, I know that you try and find some each year to continue the work of digitising your existing collection. How is that proceeding?

Ms Fullerton—We had a great gain in the last year. We are involved in a major project to digitise early Australian newspapers. The Fairfax Foundation donated \$1 million for us to assist with the digitisation of the *Sydney Morning Herald*.

Senator LUNDY—That is terrific.

Ms Fullerton—That was a great bonus for us.

Senator LUNDY—What sort of impact does that have in terms of numbers of years or months of editions that you can digitise?

Ms Fullerton—That enables us to digitise the *Sydney Morning Herald* from the beginning till 1955, so a substantial impact.

Senator LUNDY—That is particularly good.

Senator KEMP—How about the *Hansard*?

Ms Fullerton—I think the Parliamentary Library might be looking at that.

Senator KEMP—They are a bit slow on that. I am a great fan of the Parliamentary Library.

CHAIR—Senator Lundy?

Senator LUNDY—We can ask the National Archives that shortly. You have mentioned collecting information in digital form. I know about your PANDORA project and others to try and capture web based images and information. How is that proceeding and how are you resourcing that effort?

Ms Fullerton—It is proceeding as well as we can with very limited resources. We have never received additional funding to deal with operating in a digital world.

Senator LUNDY—How is PANDORA going?

Ms Fullerton—It is continuing as well as it can.

Senator LUNDY—It is a really hard question because I know there is an exponential proliferation of interesting websites that I am sure you are observing. Can you give me an

overview on how you are framing your collection policies around that plethora of online content?

Ms Fullerton—There are two parts of our policy on this. One is to continue with the very selective high-level archiving we do in that PANDORA archive where we identify particularly significant websites, we seek the permission of the creator and then we progressively collect and preserve those forever more. We have now supplemented that over the last three years by doing a capture over the entire Australian web domain once a year. It usually takes about three months to collect it, and it involves about 500 million web files.

Senator LUNDY—What is the problem, Senator Kemp?

Senator KEMP—Could you hurry up. We have four or five agencies to go. You have not asked your car-parking issue yet, so could you get it out so we can get the rest of the agencies through.

Senator LUNDY—I will take up Ms Fullerton's offer and I will get a briefing on the detail of these very important projects to permit you the time you need to ask questions at estimates.

CHAIR—Are there any further questions of the National Library? If not, thank you very much for attending. We will now call the National Museum.

[10.43 pm]

National Museum of Australia

Senator KEMP—I have a question for Mr Craddock Morton. The previous government provided a considerable sum of money as a result of the Carroll report into the museum and I just wondered how the plans were proceeding and when the developments will be finalised.

Mr Morton—We have done a number of things recommended in the Carroll plan already over the last couple of years. In terms of the major projects, the refurbishment of the Circa cinema experience is now pretty well complete and that should open in the first week of March. That is pretty well all done. The refurbishment of what was the Horizons gallery into Australian Journeys is proceeding well and that should be complete by the end of the year. The refurbishment of the Nation gallery into Creating a Country should be complete by the end of the following year. So it is working very much to schedule at the moment and it is going well.

Senator KEMP—What total funding was provided?

Mr Morton—I will have to ask Mr Smart to help me out there. I think it was of the order of \$19 million with our own money.

Mr Smart—The total project is worth \$12.776 million, of which \$6.17 million is coming from the Museum's own depreciation reserves and the other \$6.6 million from government funding.

Senator KEMP—I notice the clock is running us out. Have there been any recent board appointments?

Mr Morton—No.

Senator KEMP—You would have heard the discussion that we had with the National Library about the issue of depreciation funding. Is that a similar problem that you may have to face at the National Museum?

Mr Morton—It is an area in which we have an interest but our consideration is a much smaller one. Mr Smart might like to comment on that.

Senator KEMP—What sums of money would be involved in relation to the National Museum?

Mr Smart—Our depreciation funding is just under a million dollars per annum.

Senator KEMP—That is certainly not of the same order.

Mr Smart—That is right.

Senator KEMP—The depreciation funding is calculated in the same fashion as the depreciation funding for the National Library?

Mr Smart—Yes.

Senator KEMP—So, it is essentially the same type of issue?

Mr Smart—It is a similar issue, but we have a different type of collection and the valuation is done slightly differently but it comes up with a good accounting number.

Senator KEMP—Can you give us an idea of the visitation trends for the National Museum?

Mr Morton—The visitation trends have been very good. We were just under a million, by recollection, last year and this year we have assessed that we will get less because we have a number of alterations going on and galleries closed. But so far our visitor numbers are actually ahead of our projections and we are hopeful that we will get at least 800,000 this year.

Senator KEMP—What has been the average for the last three or four years? Is that about par for the course?

Mr Morton—We had a million-year when we opened and then by year three it had dipped considerably, but it has been building up to the opening year level since then.

Senator KEMP—There are many other things that I would like to ask, but time is on the wing and we have a number of other agencies that I would like to speak to. Thank you for your attendance and your information.

CHAIR—Senator Lundy, did you have any questions?

Senator LUNDY—I am sure I can think of some.

Senator KEMP—I bet you can.

CHAIR—You do not have to; I am just asking. Are there any other senators with any questions?

Senator LUNDY—We are pressed for time and we need to get to the department.

CHAIR—Thank you.

Senator LUNDY—I will think of something and put it on notice.

CHAIR—I thank the officers for appearing. We now move to the department, thank you, for 10 minutes.

Senator LUNDY—I flag that I have questions for the Portrait Gallery and Old Parliament House. They fit within the

Senator KEMP—I have a couple of very quick questions for the National Portrait Gallery. Is it on time and on budget?

Ms Anderson—Yes, it is.

Senator KEMP—When will it open?

Ms Anderson—The new Portrait Gallery will open on 3 December 2008. The building will be finished in September 2008 and we will have a couple of months of transition.

Senator KEMP—And the total funding approved for it?

Ms Anderson—For the construction of the building, \$87.7 million, and that is managed by the Department of Finance.

Senator KEMP—When was that approved?

Ms Anderson—The final amount was approved in 2006-07.

Senator KEMP—A good year. Getting back to Old Parliament House, as you would particularly be aware, there are some major developments occurring at the Old Parliament House. Perhaps you could give a quick summary of how the Gallery of Australian Democracy is going and some of those other developments?

Ms Anderson—A quick summary is that planning for the Gallery of Australian Democracy is well under way. The new initiatives also incorporated an Australian Prime Ministers Centre and stage 1 of that initiative opened in June 2007. Planning is well under way for stage 2, which will move over to the House of Representatives wing at Old Parliament House. We did receive funding to redevelop that wing and we are starting on that at the moment. There is also a capital works program over there.

Senator KEMP—What is the total budget for the Gallery of Australian Democracy?

Ms Anderson—Over four years it was \$31.5 million.

Senator KEMP—And the Prime Minister's Centre?

Ms Anderson—The Prime Minister's Centre was included in that \$31.5 million.

Senator KEMP—When was that approved?

Ms Anderson—In May 2006, in the 2006-07 budget.

Senator KEMP—I remember it well. That is excellent. As I have said, I think there are a couple of other things that I want to discuss, but Senator Lundy might have some questions on those.

Senator LUNDY—Have you any more questions for the department?

Senator KEMP—I have. I just thought you wanted to get some of those out. Yes, I have a couple of questions for the department.

Senator LUNDY—Thank you. With respect to the Portrait Gallery construction, what is the anticipated opening date? Do you have an opening date?

Ms Anderson—Yes, 3 December 2008.

Senator LUNDY—I would like to discuss the car parking arrangements. Senator Kemp thinks car parking is a funny joke, but I can assure him that when you live in Canberra it is no joke. What are the parking arrangements?

Ms Anderson—There is parking underground.

Senator BIRMINGHAM—There are terrible challenges in Canberra.

Senator LUNDY—Parking is an issue here. Just because you do not live here, don't scoff.

Senator KEMP—I am not sure that it should be the focus of Senate estimates, but anyway.

Senator LUNDY—This is the perfect opportunity.

Senator KEMP—We are dealing with the arts. That is just a personal preference.

Senator LUNDY—It is about access to our cultural institutions.

Ms Anderson—There is an underground car park in the new building.

Senator LUNDY—Will that be opened at the same time?

Ms Anderson—Yes.

Senator LUNDY—Will it be available beforehand?

Ms Anderson—No. It will not be available beforehand.

Senator LUNDY—So, it will all open at the same time?

Ms Anderson—It will be opened at the same time.

Senator LUNDY—With respect to Old Parliament House, how is the Prime Ministers Gallery proceeding?

Ms Anderson—The Prime Ministers Centre stage 1 opened in June last year, 2007, and that is operating at the moment. It has a small exhibition area and a reference reading room area. The Scholarship and Fellows Program commenced this year and that is under way at the moment. The centre will move across to the House of Representatives wing when that is refurbished.

Senator LUNDY—When will that be?

Ms Anderson—Refurbishment starts in the next month or so and it will be completed for an opening scheduled for May 2009. It also includes the area where the National Portrait Gallery is vacating and the whole project is all part of the Gallery of Australian Democracy.

Senator KEMP—I would like to put on notice some questions to do with each agency but maybe the department could coordinate these for me. I am looking for the outlays by the collecting institutions from 1996 to the current period.

Ms Bean—Do you mean the appropriations?

Senator KEMP—No, I actually mean the total outlays and appropriations by the collecting institutions. That would be helpful.

Senator LUNDY—I have another question about governance of the Portrait Gallery. What will the governance arrangements be as far as board appointments, the relationship with the CEO and the board, et cetera?

Ms Anderson—The National Portrait Gallery is a program of the department, so it is a branch of the department. It is not envisaged that that would change.

Senator LUNDY—Really?

Ms Anderson—I have not heard of anything happening to change that. The Old Parliament House is part of the department as well. The National Portrait Gallery has an advisory body, which is the National Portrait Gallery board, but they are an advisory body, not a decision-making body.

Senator LUNDY—Will that continue?

Ms Anderson—I do not know of any plans for it to change.

Senator LUNDY—Neither do I, for the record, but I am curious about what the arrangements will be.

CHAIR—Are there any further questions?

Senator KEMP—The department has put out a fascinating discussion paper on resale royalties, which I have had the time to read again. In light of the current government policy, are there any plans to put out an additional discussion paper so that the various stakeholders, of which there are many, can get a clearer picture of the impact of the government's policies?

Ms Bean—The government policy from the election does provide for consultation but the minister has not yet decided what form that consultation will take.

Senator KEMP—It is no secret that the discussion paper raised many problems. In fact, it had an impact on a lot of thinking; people who were possibly in principle in favour of resale royalties had a chance to look at the various options and how it would be played out, and they decided to change their views on that issue. I know some of those people very well. But I think it would be a help, because there are a lot of costs involved and there are big decisions involved. Senator Stephens, the government has come in with a policy of openness and transparency. The issue that revolves around this particular policy is the costs that will be imposed on galleries and others and whether it in fact produces funds for artists in a way that is effective. I think it would be very handy in the implementation of this policy, and given the government's desire for openness and transparency, to do what the previous government did and release a discussion paper and outline the various options that the government is considering.

Senator Stephens—I will pass that suggestion on to the minister.

Senator KEMP—If you could pass that on to Mr Garrett I would immensely grateful.

Senator Stephens—Certainly.

Senator LUNDY—That was a long way of saying that the coalition did not have a policy on resale royalties prior to the last election.

CHAIR—Are there any further questions for the department? We have half a minute before we close.

Senator KEMP—There are a number of questions on notice. We are very keen to get a picture of the policies that the government has put down that will be administered by the department.

Senator LUNDY—Yes, we have a policy.

Senator KEMP—We have asked that question before and most of the departments do not seem to have any idea what they are supposed to implement.

CHAIR—Is that a question?

Senator KEMP—Do not try to intimidate me, Madam Chair. At the next estimates we will be looking very closely at the information provided on the policies each of the departments is supposed to be involved in implementing.

CHAIR—That completes the examination of the Environment, Water, Heritage and the Arts Portfolio, except for Friday, where we will have the National Water Commission, or Outcome 3. I would like to thank Senator Stephens and the officers for their attendance tonight. And also thank you to Hansard and the secretariat for the last two days.

Committee adjourned at 10.59 pm