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Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS AND THE ARTS
LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

THURSDAY, 28 MAY 2009

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE ENVIRONMENT, COMMUNICATIONS AND THE ARTS**LEGISLATION COMMITTEE****Thursday, 28 May 2009**

Members: Senator McEwen (*Chair*), Senator Birmingham (*Deputy Chair*), Senators Ludlam, Lundy, Troeth and Wortley

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ian Macdonald, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Trood, Williams and Xenophon

Senators in attendance: Senators Abetz, Back, Boswell, Birmingham, Colbeck Fisher, Hanson-Young, Heffernan, Ludlam, Lundy, Macdonald, McEwen, Milne, Nash, Parry, Scullion, Siewert, Troeth, Williams, Wortley and Xenophon

Committee met at 9.01 am

ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO

Consideration resumed from 27 May 2009.

In Attendance

Senator Kim Carr, Minister for Innovation, Industry, Science and Research; Senator Mark Arbib, Parliamentary Secretary for Government Service Delivery; Senator Penny Wong, Minister for Climate Change

Department of the Environment, Water, Heritage and the Arts**Executive**

Ms Robyn Kruk, Secretary
Mr Gerard Early, Deputy Secretary
Mr Malcolm Forbes, Acting Deputy Secretary
Dr James Horne, Deputy Secretary
Mr Mark Tucker, Deputy Secretary
Mr Malcolm Thompson, First Assistant Secretary

Approvals and Wildlife Division

Mr Peter Burnett, First Assistant Secretary
Ms Vicki Middleton, Assistant Secretary, Environment Assessment Branch 1
Ms Cathy Skippington, Assistant Secretary, Environment Assessment Branch 2
Ms Carolyn Cameron, Acting Assistant Secretary, Strategic Approvals and Legislation Branch
Ms Rose Webb, Assistant Secretary, Compliance and Enforcement Branch
Ms Kerry Smith, Assistant Secretary, Wildlife Branch
Ms Kath Collins, Assistant Secretary, Business Systems and Governance Branch

Arts Division

Ms Lynn Bean, First Assistant Secretary
Mr Mark Taylor, Assistant Secretary, Arts Development and Training Branch
Mr Paul McInnes, Assistant Secretary, Arts Policy and Access Branch
Ms Jane Barney, Director, Arts Training

Australian Antarctic Division

Ms Lyn Maddock, Director
Dr Rob Wooding, General Manager, Support Centre
Mr John Gunn, Chief Scientist
Mr Matthew Sutton, Finance Manager

Australian Business Arts Foundation

Ms Jane Haley, Chief Executive Officer
Ms Joanne Simon, Company Secretary

Australia Council

Ms Kathy Keele, Chief Executive Officer
Mr Tony Grybowski, Executive Director, Arts Organisations

Australian Film, Television and Radio School

Ms Sandra Levy, Chief Executive Officer

Australian Government Land and Coast

Ms Alex Rankin, First Assistant Secretary
Mr Hilton Taylor, Assistant Secretary, Reef Rescue and Aquatic Partnerships Branch
Dr Charlie Zammit, Assistant Secretary, Biodiversity Conservation Branch

Australian National Maritime Museum

Ms Mary-Louise Williams, Director
Mr Peter Rout, Assistant Director
Ms Joan Miller, Chief Financial Officer

Bundanon Trust

Ms Deborah Ely, Chief Executive Officer

Bureau of Meteorology

Dr Neville Smith, Deputy Director, Research and Systems
Dr Rob Vertessy, Deputy Director, Water
Mr Gary Foley, Deputy Director, Services
Mr Trevor Plowman, Chief Financial Officer

Corporate Strategies Division

Mr Peter Woods, Acting First Assistant Secretary
Ms Lily Viertmann, Chief Financial Officer

Culture Division

Ms Sally Basser, First Assistant Secretary
Mr Kim Allen, Assistant Secretary, Collections Branch
Dr Stephen Arnott, Assistant Secretary, Film and Creative Industries Branch
Dr Paul Salmond, Assistant Secretary, Literature and Indigenous Cultures Branch

Environment Quality Division

Dr Diana Wright, First Assistant Secretary

Great Barrier Reef Marine Park Authority

Dr Russell Reichelt, Chairman and Chief Executive

Heritage Division

Mr James Shevlin, First Assistant Secretary

Mr Theo Hooy, Assistant Secretary, Heritage Management Branch

Mr Terry Bailey, Assistant Secretary, Heritage Assessment Branch

Dr Greg Terrill, Assistant Secretary, Heritage Strategy

Marine Division

Ms Donna Petrachenko, First Assistant Secretary

Ms Tania Rishniw, Assistant Secretary, Tropical Marine Conservation Branch

Mr Andrew McNee, Assistant Secretary, Marine Initiatives Branch

Mr Nigel Routh, Assistant Secretary, Marine Biodiversity Policy Branch

Mr Charlton Clark, Acting Assistant Secretary, Temperate Marine Conservation Branch

Murray-Darling Basin Authority

Mr Rob Freeman, Chief Executive

Mr Frank Nicholas, Executive Director, Corporate Services

Dr Fraser MacLeod, Executive Director, Natural Resources Management

Mr Les Roberts, Executive Director, Basin Plan

Mr David Dreverman, Executive Director, River Murray

Mr Geoff Habersfeld, Executive Director, Engagement, Secretariat and Communications

National Film and Sound Archive

Dr Darryl McIntyre, Chief Executive Officer

Ms Anne Landrigan, General Manager, Collections Management

Mr Steve Vogt, General Manager, Corporate Services

National Gallery of Australia

Dr 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 Lisa Wilmot, General Manager, Operations

Mr Mathew Trinca, General Manager, Collections and Content

Ms Trish Kirkland, Acting General Manager, Audience and Programs

Ms Kylie Noonan, Chief Finance Officer

National Water Commission

Mr Ken Matthews AO, Chair and Chief Executive Officer

Mr Matt Kendal, General Manager, Water Science Group

Ms Kerry Olsson, General Manager, Water Reform Group

Mr Ross Martin, General Manager, Urban Water Group

National Portrait Gallery

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, Strategic Advice Branch

Ms Chris Woodgate, Assistant Secretary, Communications and Ministerial Branch

Mr Geoff Richardson, Assistant Secretary, Environment, Information and Research Branch

Renewables and Energy Efficiency Division

Mr Ross Carter, First Assistant Secretary

Mr Stephen Oxley, Assistant Secretary, Energy Efficiency Branch

Mr Kevin Keeffe, Assistant Secretary, Home Energy Branch

Mr Peter Young, Assistant Secretary, Renewable Energy Branch

Ms Mary Wiley-Smith, Assistant Secretary, Community and Industry Partnerships Branch

Screen Australia

Dr Ruth Harley, Chief Executive Officer

Mr Ross Pearson, Chief Financial Officer

Ms Fiona Cameron, Executive Director

Supervising Scientist Division

Mr Alan Hughes, Supervising Scientist

Sydney Harbour Federation Trust

Mr Geoff Bailey, Executive Director

Water Reform Division

Mr Tony Slatyer, First Assistant Secretary

Ms Chris Schweizer, Assistant Secretary, Aquatic Systems Health Branch

Mr Bruce Male, Acting Assistant Secretary, Water Policy Branch

Mr Russell James, Assistant Secretary, Water Resources Branch

Water Efficiency Division

Ms Mary Harwood, First Assistant Secretary

Mr Richard McLoughlin, Assistant Secretary, Irrigation Efficiency Northern Branch

Mr Colin Mues, Assistant Secretary, Water Recovery Branch

Ms Suzy Nethercott-Watson, Assistant Secretary, Irrigation Efficiency Southern Branch

Water Governance Division

Mr Ian Robinson, First Assistant Secretary

Mr Steve Costello, Assistant Secretary, Urban Water Security Branch

Ms Gayle Milnes, Assistant Secretary, Environmental Water Branch

Mr Mark Kwiatkowski, Assistant Secretary, Project Management and Governance Branch

CHAIR (Senator McEwen)—Good morning, everybody. I declare open this public hearing of the Senate Environment, Communications and the Arts Legislation Committee. The committee has set Friday, 31 July 2009 as the date by which answers to questions on notice are to be returned. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice.

Officers and senators are familiar with the rules of the Senate governing estimates hearing. If you need assistance in this regard, the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by

which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

The document read as follows—

Order of the Senate—Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(Agreed to 13 May 2009.)

(Extract, Journals of the Senate, 13 May 2009, p.1941)

CHAIR—I again welcome Senator the Hon. Mark Arbib, Parliamentary Secretary for Government Service Delivery, representing the Minister for the Environment, Heritage and the Arts, and portfolio officers. I presume you do not want to make an opening statement, Senator Arbib—possibly something about the technology?

Senator Arbib—Yes, my computer will be fixed in one minute. I am fine, thank you.

[9.02 am]

CHAIR—Thank you very much. We will then continue the examination of program 1.1, Caring for our Country, which was not completed last night, and then we will go to program 1.2, which I know will make Senator Boswell extremely pleased. The examination of the portfolio will then proceed in accordance with the circulated program. We have the officers present in relation to program 1.1, and I now invite questions. I will go first to Senator Troeth and then to Senator Siewert.

Ms Rankin—Chair, do you mind if I make a clarification?

CHAIR—Sorry, Ms Rankin; of course, please do.

Ms Rankin—I would just like to clarify the answer to Senator Siewert's question of last night about whether Caring for our Country is providing funding for any Indigenous rangers on the Tiwi Islands, and I can clarify that we are not.

Senator SIEWERT—Thank you.

Senator TROETH—Good morning. I would like to ask about last year's budget papers, which projected that funding for Caring for our Country would be \$440.1 million in 2009-10. Is there \$440.1 million for Caring for our Country allocated for 2009-10 in this year's budget?

Ms Rankin—The budget for Caring for our Country this year is split across a couple of different budget papers. You will see in the Environment budget there is the funding from the Natural Heritage Trust Environmental Stewardship Program and Working on Country program component. The Landcare component appears in the agriculture portfolio budget statement. One of the changes this year was that \$138 million, which is the regional guaranteed funding for regional bodies, is appropriated directly to the Treasury and paid by them.

Senator TROETH—To pay—

Ms Rankin—To be paid by Treasury to the regional bodies through the state treasuries.

Senator TROETH—Right.

Ms Rankin—The only change to that \$440 million budget is that \$32.4 million per annum that was previously used for core departmental and EPBC Act costs has been taken out of the Caring for our Country budget and transferred directly to the departments.

Senator TROETH—Sorry, what was that used for?

Ms Rankin—Core departmental costs. It was used for things like marine park operational costs, marine pest strategy and things like that as well as supporting administration of the EPBC Act.

Senator TROETH—It came down to a little over \$400 million in total?

Ms Rankin—That is right.

Senator TROETH—How does that compare to funding allocated for the previous year, 2008-09? Is it more or less?

Ms Rankin—The only difference is that \$32.4 million has changed. It was used in the previous year for the same purposes, so it has not had any impact at all on how much money is available from the program for expenditure.

Senator TROETH—In the previous year, it was also allocated across those other portfolios as well?

Ms Rankin—That is right.

Senator TROETH—Could you give us an idea of how that money will be divided this year between the Natural Heritage Trust, the National Landcare Program, the Environmental Stewardship Program and the Working on Country program?

Ms Rankin—Yes, I can. The Natural Heritage Trust component is \$216 million; the Environmental Stewardship Program component is \$12.5 million; Working on Country is \$5.7 million; and Landcare is \$32.07 million—and then there is the Treasury component of \$138 million.

Senator TROETH—Yes, I understand. There is a table on page 38 of Budget Related Paper No. 1.6 that lists the administered expenses for Caring for our Country in 2009-10 as \$232 million.

Ms Rankin—That is the combination of the Natural Heritage Trust component plus the Working on Country and stewardship component, I think.

Senator TROETH—What about Landcare?

Ms Rankin—Landcare, because that is in the agriculture PBS—

Senator TROETH—The agriculture portfolio.

Ms Rankin—appears separately.

Senator TROETH—That does not come into it? So that is the total amount of funding that will be available for Caring for our Country this year?

Ms Rankin—That is the total amount of funding appropriated to the environment department in Caring for our Country.

Senator TROETH—Yes.

Ms Rankin—In addition, there is the Landcare appropriation plus the \$138 million appropriated to Treasury.

Senator TROETH—You also mention program expenses on page 37 of that same document, and that states:

The reduction in funding primarily relates to the transfer of payments to the states and territories ...

Can you define what that reduction in funding is in dollars?

Ms Rankin—Senator, it is not a real reduction; it is just a transfer of how it is treated in the budget papers. That is the \$138 million to which I have been referring, which is appropriated directly to Treasury rather than to the environment portfolio.

Senator TROETH—Okay, and that is what goes back to the states?

Ms Rankin—That is right.

Senator TROETH—Will that reduction or that amount affect grassroots natural resource management groups who rely on that funding?

Ms Rankin—No, because it is quarantined to be paid directly to regional bodies.

Ms Kruk—That is money that goes to them.

Ms Rankin—Yes.

Senator TROETH—Directly?

Ms Kruk—Yes.

Senator TROETH—So there is no chance for it to be skimmed off by the states. Okay. Budget Paper No. 3 on page 90 states:

Under Caring for our Country, regional bodies will continue to receive guaranteed funding of at least 60 per cent of historical average funding to secure their operations. This funding—

which you have said—

\$138 million in 2009-10, will be paid through the States.

We have already established that, but it is the 60 per cent of historical average funding that I am interested in. What amount in dollars is 60 per cent of historical average funding? Do the two amounts correspond?

Ms Rankin—They do, yes.

Senator TROETH—They do? Okay. So \$138 million is equivalent to the 60 per cent. Can we have some state allocations of the \$138 million funding?

Ms Rankin—Senator, I think in response to a question on notice from last estimates I tabled a list all of the breakdowns of the funding by state and by region.

Senator TROETH—Okay.

Ms Rankin—I can refer you to that answer or we can find it—

Senator TROETH—Yes, if you could just give me the answer number that would be helpful, thanks.

Mr Thompson—Senator, while Ms Rankin is doing that, the state breakdown for the \$138 million that passes through Treasury is also provided in Budget Paper No. 3 on page 91.

Senator TROETH—Thank you.

Ms Rankin—It was question No. 2 from additional estimates of February 2009, *Hansard* page 67 on 24 February.

Senator TROETH—Thank you very much for that. Budget Related Paper 1.6 also mentions program deliverables on pages 38 to 39. When will the successful projects under the 2009-10 Caring for our Country business plan be announced?

Ms Rankin—We are currently working to a timetable of ministers announcing it by the end of June.

Senator TROETH—And when will the actual business plan be announced?

Ms Rankin—The business plan was announced last year in November—

Senator TROETH—Okay.

Ms Rankin—so we are talking about next year's one, for 2010-11, which will be released in September or October.

Senator TROETH—Understood. If successful projects are being announced at the end of June, I take it funding rounds opened some time ago?

Ms Rankin—They did, in November last year.

Senator TROETH—What are the eligibility requirements for the funding?

Ms Rankin—The business plan that we released set out the range of eligibility requirements in relation to people having to demonstrate that their projects would contribute to the targets and outcomes outlined in the program and the business plan. They had to demonstrate things like value for money, partnerships with other groups to deliver the activities, that there was a good level of evidence behind the project about what could be achieved with the funding and also a demonstrated history or capacity of the group to actually deliver the funds.

Senator TROETH—Are there any changes to the program guidelines and/or targets between this year and last year?

Ms Rankin—We are currently undergoing a review of the targets before we release next year's business plan. Part of the design for the program is that we are going to continually refine and review the targets each year to make sure that we continue to stay on track to the overall program outcomes at the end of the five years. We have started a process of consultations with stakeholders around the country on the current targets that were released as part of the business plan, with a view to confirming whether they still make sense or whether there are some improvements or refinements or changes we need to make to those.

Senator TROETH—Is there any scope for local natural resource management groups to define or to determine their own priorities and targets? Is there enough flexibility in the guidelines?

Ms Rankin—As long as regional groups are able to demonstrate how their activities are going to contribute to the overall targets, they can certainly approach it in multiple different ways that suit their particular regional context. We are trying to get that mixture of regionally focused activities but that are all contributing towards the one coherent set of outcomes at a national scale.

Senator TROETH—I guess we will hear some more about that. Also, was there an evaluation conducted of the Regional Natural Heritage Program, which concluded in 2006-07?

Ms Rankin—The Audit Office has completed an evaluation of the regional funding under the Natural Heritage Trust. There has not been, I do not think, a formal evaluation beyond that, although there was—

Senator TROETH—So none done by the department?

Ms Rankin—No.

Senator TROETH—I do not suppose you would have the audit branch record of that?

Ms Rankin—I can find out for you. I will get back to you.

Senator TROETH—Yes, if you could provide it that would be helpful, thanks. Did the department have a view anyway of the success or otherwise of that program?

Ms Rankin—I think we certainly concurred with all the recommendations from the Audit Office and its findings. We have tried to incorporate those into the design of the new program to build on the improvement. The key findings were really that the regional investment was very useful and we had been very successful at building partnerships and a network of groups across the country to deliver NRM outcomes, but that we had been not very successful at being able to demonstrate what we had actually achieved with the funding. This was because we were not being very clear about what the Commonwealth was trying to purchase with its investments and we did not have a coherent and consistent way of measuring the different investments or making transparent decisions about all trying to achieve the same outcomes. It was very hard to bring it all up to say what we had actually achieved with the money. That is why we have moved to an approach that is much more focused on being quite explicit upfront about what outcomes and targets we are trying to achieve and being very accountable about making decisions about investments on activities that will achieve those outcomes.

Senator TROETH—This is in the new program which you were talking about before?

Ms Rankin—Yes.

Senator TROETH—Thanks for that. Thanks, Chair.

CHAIR—Thank you, Senator Troeth. Senator Siewert.

Senator SIEWERT—Can I go back to this issue of the current targets and reviewing the targets. When you were saying you are consulting stakeholders, which stakeholders are you consulting?

Ms Rankin—We have had workshops around every state and territory. We have invited groups from regional bodies, NGOs and industry groups. We have had a couple of specific sessions involving people from CSIRO, David Pannell and various other scientists or experts

to help inform the reviews, so it has been quite comprehensive. We have also advertised it publicly on our website so that anybody can make a comment if they want in relation to the targets, whether they can attend one of the sessions or not.

Senator SIEWERT—I want to go back to the \$138 million and the regional groups putting in their bids against their allocated amount. They have put it in, it has been assessed and there has been a decision made by the department that, as I understand it now, is not to be revisited? It is basically locked in place now: the \$138 million, and what percentage each region gets of that \$138 million, is now set for the rest of the program?

Ms Rankin—That is the aim, unless one of the regions disappears. If they do some restructuring about regional boundaries, we might have to review it. But, yes, that is the intention.

Senator SIEWERT—That is what I thought. They have put in their bid into the competitive round for the non-competitive bid of the \$228 million, the \$138 million. Do they do that each year?

Ms Rankin—It might help if we do not actually call it non-competitive and competitive; I think that is part of the confusion. The whole aim of the process has been to say: ‘You are guaranteed to get your component of \$138 million. What we want you to do is to tell us’—through the same application process effectively—‘how you are going to spend that money on things that will contribute to the Caring for our Country outcomes and targets.’ It is a process of defining that we are actually getting the same outcomes that we would for the program from that money as we would if we had just gone out for competitive overall. I think it is important. Because it is such a large chunk of the money, we have to make sure that it is being spent on Caring for our Country outcomes and targets. That is the purpose of asking them to put in an application form that outlines what they are going to spend those funds on.

Senator SIEWERT—I am not objecting to keeping the regional groups accountable; in fact, I think it is very important and highly desirable. What I am concerned about is if you are changing the targets. In the review of the business plan, is it just the targets that are going to change or are other things going to change as well?

Ms Rankin—We are certainly looking at doing an evaluation of the business plan itself to see what improvements we can make to it. We are getting a lot of comments and feedback from people about last year’s business plan, about areas where they think we could be clearer about what we were looking for, areas where there was probably a bit of confusion around the text or the wording, some of the maps people have found confusing. We are trying to build in a whole lot of minor changes like that that will help improve clarity and focus for the plan and also pick up things we have learned since last year, as well as refining the targets, as I said. The aim is not to completely start again but to build on last year’s plan in an improved version and to reflect the changes and advances over last year. Just getting back to your previous question, the intention is that we will be able to provide multiple years funding commitments for regional groups so they do not have to apply for the full—

Senator SIEWERT—They do not have to apply every year?

Ms Rankin—No.

Senator SIEWERT—They update their plans presumably every year?

Ms Rankin—They could potentially have all of their component of the \$138 million committed for the full four years or, depending on how they put forward their bids, we might commit 100 per cent of this year's, 80 per cent or 60 per cent of next year's and reducing over the future years so they have the opportunity themselves to come back to us and say, 'As we have gone along we want to change our minds about what we are doing here,' and to demonstrate that they want to do a different activity.

Senator SIEWERT—My question there relates to the changing business plan and the changing targets and how you keep regional groups still focused on the business plan without causing too much change each year, without having to reinvent the wheel each year, to make an evolving business plan.

Ms Rankin—The changes are not going to be substantial between this year's business plan and next year's. We think that largely they will continue to be consistent. We might not have thought through this completely, but we might be asking regional groups to confirm that the activities that they had undertaken to do in, say, 2011-12, when we get to that year, are still the set that they intended to do, and we will review it based on the performance and progress reports that we receive from them about whether they are actually delivering on what they said they were going to do. Then we may have to go back and reconfirm the contribution or the components of their guaranteed funding that they are receiving for different areas.

Senator SIEWERT—Thank you. I tried to tackle this issue when I was asking in rural and regional—and that is, the percentage of money that is going to be allocated this year to one-year projects. How much money is going to be precommitted to the following year and the following year? I presume you know where I am coming from in terms of, under NHT, we had a lot of commitment into the future through funding of one-, two- or three-year programs, for example. Usually in a project, in the first year the smallest amount is spent while a project gets off the ground. It is not about not having three-year projects. There is \$222 million on the table this year, and I can imagine a lot of the \$3.4 billion worth of projects that were applied for are not just one-year projects; they are three- or four-year projects.

Ms Rankin—Yes.

Senator SIEWERT—How much are you notionally committing into the future for those projects?

Ms Rankin—We have got a guideline of 100 per cent of this year's, obviously, 60 per cent for the second year and 40 per cent for the third. That is going to be like a rolling thing that we apply each year.

Senator SIEWERT—Again, it is not aimed at having a go at pre-commitment; it is also about guaranteeing people that they have got some capacity to be assured that, if their project is going well, they are not going to get their project cut because something else has become flavour of the month. So, 60 per cent and 40 per cent?

Ms Rankin—Yes, I can confirm those. As I said, they are only guidelines that we use. We have the potential to go up or down, depending on the quality of the projects and how certain

we are that they are the ones that are going to make, for example, a long-term commitment. If it takes us up to 62 per cent, we would probably not have a problem with that.

Senator SIEWERT—I know that Senator Macdonald has a lot of questions here, too, so I will try and be quick. With the demise of Land and Water Australia, one of the points that was raised by the minister at the time was: ‘We don’t need it anymore because we’ve got Caring for our Country.’ What percentage of funding has been allocated to research in Caring for our Country?

Ms Rankin—Probably about \$10 million out of the implementation costs or the administration component of the budget is specifically dedicated to research. We are certainly funding research components of a whole lot of other projects and are receiving applications for research projects, but there is not a specific budget set aside for research beyond that.

Senator SIEWERT—Beyond that \$10 million. How does that equate to previous NHT funding that has been allocated for research?

Ms Rankin—I would have to take that on notice, sorry.

Senator SIEWERT—If you could, because my recollection is that after a while there was some money allocated to research in NHT and there was the strategic reserve that was allocated. Not all states allocated it. I know that in Western Australia we did and at a national level there was a strategy. Different states called it different things. I cannot remember the dollar value that was on that. If you could take that on notice, that would be appreciated.

Ms Rankin—I can do that, yes.

Senator SIEWERT—The other issue that I just wanted to go back to very quickly—and we have had this discussion before; I am aware of that—regards Landcare money that is held by the Agriculture portfolio. There is an additional, I think, \$5.6 million for sustainable practices?

Ms Rankin—That is right.

Senator SIEWERT—When I asked about this at the rural and regional hearing, they said to ask you, so here is the ball. How is that being handled? Is it being assessed in the same way that Landcare money is? As I understand it, Landcare money is the responsibility of the minister for agriculture, and sustainable practices go through the joint process. Is that correct?

Ms Rankin—All the funding is being assessed in the same way, whether it is Landcare or NHT. We are using the same process with people who have had to apply through the business plan. We have our criteria and our assessment panels. They are all assessing the projects on their merits, regardless of where the source of funding might come from. At the end point, we will split out the components of the projects that we are recommending for funding from the Landcare budget to go to Minister Burke, and the remaining ones will go to the joint board for decision making. There is not really a substantial difference at all in the assessment process for the two components of money. We are trying to make sure that, when we are looking at the full range of Landcare and sustainable agricultural projects, we clearly have good representation on the panels by people who understand Landcare and sustainable agriculture so that they can provide their expertise into that process. But, there is no separate process for assessment. There will be separate decisions. I can say that the \$5.6 million for sustainable

practices is being handled in the same way as a project that will come in with a biodiversity component or—

Senator SIEWERT—Could you make my life easier and help me understand this? Are you able to give me the criteria for Landcare and the criteria used for sustainable agriculture?

Ms Rankin—There is no difference.

Senator SIEWERT—If there is no difference, why have we got \$32 million, or whatever it is, for Landcare and \$5.6 million for sustainable agriculture? Why is the distinction being made if there is no separate criteria for assessment?

Ms Rankin—The whole idea is that there is an integrated program trying to achieve one consistent set of outcomes. We use multiple buckets of funding because that is the way the money has been appropriated to contribute towards those outcomes. The aim of the Caring for our Country program is that we have agreed sets of outcomes that we are all trying to work to achieve regardless of where the money is coming from. The same sets of criteria, the same assessment process and the same application process apply to all of those funds.

Senator SIEWERT—It is really what you judge to be Landcare and what you judge to be sustainable agriculture?

Ms Rankin—Yes. Landcare has traditionally funded smaller community-scale activities. Those are the ones that we would be more inclined to put to the Landcare budget rather than a large-scale native vegetation regeneration thing on public land.

Senator SIEWERT—Would that be something that is funded under sustainable agriculture?

Ms Rankin—The sustainable agriculture component can do a whole range of things ranging from improving farming practices to reduce runoff, fencing off areas of native vegetation on private land and dealing with weeds. Quite a broad suite of activities under the business plan can be defined under the sustainable practices component.

Senator SIEWERT—Thank you. I understand the decisions for the \$122 million are going to be made by the end of June?

Ms Rankin—That is right.

Senator SIEWERT—I know it will be announced, but could I ask, on notice, that the list of projects approved be provided to the committee?

Ms Rankin—That will not be a problem. The list of projects will be published on the website as well under our rules, but we can do that.

Senator SIEWERT—That would be useful. I have already asked the rural and regional people, on notice, for names of the people that are on the assessment panel. That will probably come to you as well.

Ms Rankin—Yes. I think we said we were trying to withhold those names until after the assessment process has been finalised.

Senator SIEWERT—I do not think they said that, so that is interesting.

Ms Rankin—We and the panel members are concerned that, if the names were public, they will be subject to a whole lot of lobbying. It might jeopardise the probity of the process if people are out there—

Senator Boswell interjecting—

Senator SIEWERT—Having been involved in many, many assessment panels—too many to even work out the number of hours I have spent doing it—I cannot say that was ever a problem.

Ms Rankin—It has just been part of the process that we have agreed with the panel members, that we will not make their names public until the process is finalised, which is a matter of weeks away.

Mr Forbes—Senator, we note your view on that issue.

Senator SIEWERT—I have also asked for the criteria that are being used for the assessment process. Thank you.

CHAIR—Thank you, Senator Siewert. Senator Macdonald.

Senator IAN MACDONALD—Thank you, Madam Chair. I can save a lot of time by just asking my first question to Senator Siewert: are you now clear about the base funding issue?

Senator SIEWERT—As clear as I think it is possible to be at this stage.

Senator IAN MACDONALD—I will not pursue it.

Senator SIEWERT—I will take you through it later.

Senator IAN MACDONALD—Just on the last issue about the names of the panel. We had lots of panels under the NHT and I am conscious that none of them were ever unduly approached. What is the rationale behind this?

Ms Rankin—Senators, we have assigned and agreed to a fairly strict probity process for the assessment process under Caring for our Country, because for the first time the vast majority of the funds is available through a very transparent and competitive process. Under the previous program, a large amount of the money was more negotiated and delivered through the regional bids, whereas in Caring for our Country the majority of the funding is going through the applications, through the business plan.

Senator IAN MACDONALD—Isn't it a fact that all the decisions will now be made by the minister on advice from the department as opposed to the previous arrangement where they were made by local panels and then state panels and then moderated by regional panels, all of whose names were known I might add?

Ms Kruk—Senator Macdonald, I think we are all conscious of the fact that the Auditor-General was very critical about a whole range of the funding arrangements surrounding the NHT. I think we recognise that there will be process improvements as we go along.

Senator IAN MACDONALD—But leaving bureaucrats—

Ms Kruk—Please hear me out. There was a real criticism in terms of the way in which those moneys were actually allocated. I have heard your concern and the senator's other concern in relation to the anonymity of panel members, and we will take that on board. But

this is a process where there is a clear set of objectives in the assessment process. There is accountability; we will be held accountable through the Auditor-General in terms of whether the program actually delivers, so there are considerable strictures in the probity of the process.

Senator IAN MACDONALD—Can you just remind and give me, perhaps on notice, the reference to the Auditor-General's concern about the previous arrangements? I am not aware of those.

Ms Kruk—Yes, sure. We will do that.

Senator IAN MACDONALD—It is true that all the decisions on Caring for Country grants will now be made by Canberra bureaucrats on advice to the minister; is that correct?

Ms Rankin—No. There are certainly panels that are assessing the information.

Senator IAN MACDONALD—Yes, they are simply advisory panels. Tell me what the panels do?

Ms Rankin—The same as they did under the previous program.

Senator IAN MACDONALD—No, no.

Ms Rankin—The ultimate decisions under NHT were also made by ministers on the advice of panels.

Senator IAN MACDONALD—Absolutely.

Ms Rankin—That is the same as under the current situation where we have bureaucrats, panels and scientific experts reviewing the proposals and providing advice.

Senator IAN MACDONALD—That is not what we were told by Agriculture the other day. You have one panel for two states comprising of how many people, replacing, if I recall, several local panels in every state that are moderated by a state panel and then moderated by a national panel?

Ms Rankin—We had three community advisory panels, one scientific advisory panel and one national community advisory panel.

Senator IAN MACDONALD—So those three community advisory panels do what, two states each?

Ms Rankin—One does WA, South Australia and Tasmania; one does New South Wales, ACT and Victoria; and the other one does Queensland and the NT.

Senator IAN MACDONALD—Because you cannot tell us who they are, we do not know where they come from. I assume, in my case, they are all from Brisbane?

Ms Rankin—No, we have certainly gone out and tried to get a good mix of people who have got a range of practical, technical, representation skills and experience across a broad range of states. It would be very unlikely that all of those people would come from one sector.

Senator IAN MACDONALD—If you cannot tell us their names, which is just absolutely ridiculous, can you at least tell us where they live?

Ms Rankin—I do not have that information with me, Senator.

Senator IAN MACDONALD—Do it on notice and can you indicate their qualities that enabled them to be chosen for these panels?

Ms Rankin—As I mentioned, we have gone out and identified people on the basis of getting a mixture of panel members who have a range of relevant skills.

Senator IAN MACDONALD—Yes, you said that. Excuse me, you have said that. But can you say, ‘This person is a community leader, this person is a scientist, this person spent 50 years in Landcare’? Where is the open and accountable government we were promised?

Ms Rankin—In two weeks time we will be able to provide you the full details of all the panel members, because the assessment process will have been completed and recommendations will go to ministers.

Senator IAN MACDONALD—In advising us of the panel members, unless they are obvious, can you also advise us the expertise for which they were put on the panel. We were told in Agriculture estimates that Mr Garrett was about to make a major announcement on funding between June and September so that hundreds of jobs would not be lost, mainly in smaller regional communities, as NRM groups came to the end of their funding and had to terminate employment waiting for September to see if they got their money. Then, if they were lucky enough to get part of the reduced sum, then they would be trying to re-engage staff who had probably left the district. We were told confidently on Monday night that Mr Garrett was about to make an announcement that would address all that. When is the announcement to be made?

Senator Arbib—Senator, you are getting into a policy area there.

Senator IAN MACDONALD—I am asking when is the announcement to be made. That is not policy.

Senator Arbib—Did you receive that information from the minister at the time or from departmental officials?

Senator IAN MACDONALD—This was on Monday night’s Agriculture estimates.

Senator Arbib—I am just getting information—

Senator IAN MACDONALD—It was through your colleague, who may have referred it to a bureaucrat to answer, but that is what we were told.

Ms Rankin—Senator, two things will happen. Firstly, by the end of June, everybody will know whether or not they are going to receive money next year, because the decisions will be made on the applications of the business plan. So there will be certainty about which projects have been successful by the end of June. Both Ministers Garrett and Burke have been very conscious of the need to make sure that there is not a drop off in funding between the end of this financial year and the beginning of next financial year for regional bodies. We have been looking at options for how we can make sure that there is certainty of flow of cash into regional groups from as early as possible in July. That is the information that our ministers want to write to regional bodies and let them know about.

Senator IAN MACDONALD—Perhaps I should have started there. Do you agree with your colleagues in Agriculture that there is to be shortly an advice, whether it is an

announcement or a letter, advising of transitional arrangements from the end of June to when the money starts to flow?

Ms Kruk—Yes, that is the case. When Minister Burke and Minister Garrett met with the regional chairs at last week's ministerial council meeting, both ministers provided that assurance directly to the chairs.

Senator IAN MACDONALD—That they would tell them?

Ms Kruk—Yes.

Senator IAN MACDONALD—I am not asking what they are going to tell them.

Ms Kruk—We also indicated we cannot give you the exact date that he will tell them. That commitment was made, Senator Macdonald. If that is what you are asking, that commitment was made.

Senator IAN MACDONALD—Is it in the next couple of days? Is it in the next week?

Ms Kruk—Minister, I would not be in a position to predict what day the announcement would be made; you would understand that.

Senator IAN MACDONALD—Perhaps Senator Arbib can take that on notice.

Ms Kruk—We will, thank you.

Senator IAN MACDONALD—You understand that if a group does not know whether they are going to be funded from 1 July and they will not get their money until September, they have got to start putting off staff now, otherwise they are going to be bankrupt. They have to start putting off staff now, even if they know by the end of June that they did not have to do that. In the case that they do not get the funding, they cannot keep operating without money.

Senator Arbib—Yes, we are happy to take that on notice and I will try and get that information for you.

Senator IAN MACDONALD—Okay. That will address the period when NRM groups will know whether they have got to start sacking—

Ms Rankin—NRM groups already know what money they are going to get out of their guaranteed regional baseline component next year.

Senator IAN MACDONALD—Do they?

Ms Rankin—They have known since February how much money they are going to receive out of the guaranteed regional baseline component. So they have absolute certainty about that funding right now.

Senator IAN MACDONALD—This is the competitive based funding; they already know that?

Ms Rankin—That is right. They know their guaranteed base funding. What they do not know is which of the additional projects out of the competitive process that they bid for will be successful.

Senator IAN MACDONALD—Those figures are public, I take it?

Ms Rankin—They are, yes.

Senator IAN MACDONALD—You say they are going to be advised of their project funding before the end of June?

Ms Rankin—Ministers will make a decision on all applications under the business plan, whether the application is from a regional group, an NGO or a Landcare group by the end of June.

Senator IAN MACDONALD—When will they actually get the money?

Ms Rankin—We are certainly trying to work as quickly as possible to get the money out there but at this stage we are estimating August would be the date for the competitive component. As I said, we are trying to find an option where regional groups will receive some cash very early in July to make sure they have some continuity of funding.

Senator IAN MACDONALD—That is the announcement that the ministers are going to make at some time Senator Arbib is going to find out for us?

Ms Rankin—That is right.

Senator IAN MACDONALD—The guaranteed funding is 60 per cent of historical average; is that correct?

Ms Rankin—That is right.

Senator IAN MACDONALD—Can you just tell me about the split up between coastal NRM bodies and non-coastal NRM bodies? My general impression is that coastal bodies will do very well. I am talking about the east coast—sorry to Western Australians and South Australians. On the east coast I am told that regional bodies, because of reef and coastal programs, will probably receive more than they received in the past, whereas inland bodies will receive considerably less. Tell me that is not true.

Ms Rankin—I do not think I have that level of detail of information split up by coastal versus non-coastal with me. In the information that we tabled as a result of last Senate estimates the guaranteed funding to each regional body was articulated. You can make your own assessments from that on the basis of what coastal and inland regions are getting versus what they used to get. I do not think I have done that. I do not have a map or any tables that will show me that information.

Senator IAN MACDONALD—Do you have numbers of people employed by NRM groups?

Ms Rankin—To the extent that they have told us, yes, we do.

Senator IAN MACDONALD—How recent are these? We have been through this before.

Ms Rankin—I do not think they have been updated since the last figures we provided to you.

Senator IAN MACDONALD—Do you have them there?

Ms Rankin—I will have to find those in my papers.

Senator IAN MACDONALD—I raised it on Monday night, but I think I was referred to you. Can you just tell me the fate of the Carpentaria Ghost Nets Program in the Gulf of Carpentaria, a program I might add that has received world acclaim and world recognition?

Ms Rankin—I understand there has been an application received for the Carpentaria Ghost Nets Program under the business plan, which is currently being assessed.

Senator IAN MACDONALD—When will the decisions on that be made?

Ms Rankin—That will be made by the end of June.

Senator IAN MACDONALD—Should they start putting off staff now or retaining them?

Ms Rankin—I cannot provide any advice on that.

Senator IAN MACDONALD—Can you be more precise about when they are likely to know?

Ms Rankin—Only by the end of June. We have got a commitment by ministers that they will announce successful projects by then. Again, I cannot be more specific than that.

Senator IAN MACDONALD—Has the department considered the aspect that if that program is not to continue—and we do not know until the announcement is made—that the people running it, which I think is the Northern Gulf NRM, will now have to start putting people off because they cannot wait until 30 June to see whether they can continue employment?

Ms Rankin—I think this gets back to your previous set of questioning that the Northern Gulf region knows at the moment that they have guaranteed funding of a certain amount for next year. They can make a decision themselves about whether they want to use some of those funds to maintain the staff involved with the Carpentaria Ghost Nets Program, particularly as they will have certainty on whether that is going to continue to operate from the end of June.

Senator IAN MACDONALD—I thought that program got direct funding, but is it managed by Northern Gulf, is it? How does it work? I am not just being parochial about this program; it is a world-recognised program involving a lot of Indigenous people.

Ms Rankin—I would have to confirm with you who the actual contract is with for the Carpentaria Ghost Nets Program. I can get back to you in the next hour or so.

Senator IAN MACDONALD—Have you considered the aspect that unless they know, any prudent manager is going to start putting people off in case it does not get funded? On 30 June they cannot start giving four weeks' notice to staff or terminating contracts. Someone has got to pay for this. The NRM groups are not flush with money. They do not have reserves to carry these projects through on a whim and a prayer that they might get funding. Has the department considered that aspect?

Ms Rankin—The situation at the moment is probably no different than it ever has been where people have applied for projects and have to wait until there is a decision made about whether that project is successful to determine whether or not they retain staff. It is not any different under this program than it has been under previous programs.

Senator IAN MACDONALD—In previous programs, they were able to assure the Carpentaria Ghost Nets Program that they would continue to receive funding.

Ms Rankin—The intention under Caring for our Country is that decisions this year will provide certainty for future years on a key number of projects; we will be able to provide them with a decision that gives them some certainty about multiple years of funding for their project once a decision is made. At this point, that is the intention that people will have certainty into the future and it will be made on the basis of the merits and the assessment process that we are going through at the moment.

Senator IAN MACDONALD—Is the department conscious of the significant employment aspects of NRM groups that are based outside the capital cities?

Ms Rankin—We do know that regional groups are a significant employer and that there is a lot of employment as a result of investments by regional groups outside of capital cities, yes.

Mr Forbes—You asked a previous question in regard to full-time employment. I have now found those figures to help.

Ms Rankin—You can answer that!

Mr Forbes—These are not verified figures; they have just been provided by state and regional organisations. As at October last year, the figure of full-time equivalents of direct employment is 1,785.

Senator IAN MACDONALD—Is that broken up in any way between capital cities and regional areas?

Mr Forbes—I do not have that split in front of me.

Senator IAN MACDONALD—You do not have it?

Mr Forbes—We could take it on notice, if you prefer.

Senator IAN MACDONALD—All right, if you would. There are several groups in Queensland where five or six people are employed in a town of 200 people and it is a very important part of the economy, let alone all the good work they do in natural resource management. It is a significant part of the local economy. I want to pass on to Reef Rescue. Is this the appropriate time for that?

Ms Rankin—Yes, it is.

Senator IAN MACDONALD—What proportion of funding under Reef Rescue is for on-the-ground works and what proportion is for education and extension training?

Ms Rankin—I think we provided you with an answer to a question on this after last estimates that broke down all of the funding under Reef Rescue.

Senator IAN MACDONALD—Can you just remind me what that is?

Ms Rankin—Of the \$146 million that is going to the water grants, an incentive payment component of Reef Rescue, 90 per cent is going to directly improve on-farm practice and 10 per cent is going towards development of farm plans and training to support implementation of those.

Senator IAN MACDONALD—You did give me a list of the actual money that is being spent.

Ms Rankin—We did, yes.

Senator IAN MACDONALD—Yes, for which I thank you. So 10 per cent is going on education did you say?

Ms Rankin—That is right, and also training.

Senator IAN MACDONALD—Can you tell me about the SeaNet Program which was part of the marine allocation? I am being very vague and broad there but you will correct me to get me the—

Ms Rankin—SeaNet was previously funded under the Natural Heritage Trust National Investment Stream from memory and last year it received money through the Caring for our Country open grants process. I understand they have applied for funding through the business plan for next year.

[9.50]

Senator IAN MACDONALD—So it is still continuing?

Ms Rankin—There is an assessment being made of its application at the moment.

Senator IAN MACDONALD—Sorry?

Ms Rankin—Their application is being assessed at the moment and it is in the category of decisions to be made by end of June.

Senator IAN MACDONALD—It is currently operating?

Ms Rankin—It is, yes.

Senator IAN MACDONALD—That program is the interaction between the fishing industry and the environment industry so far as good fishing practices are concerned?

Ms Rankin—That is right.

Senator IAN MACDONALD—Can you remind me who runs that?

Ms Rankin—Senator, I will have to find that one out for you. I do not have that information, sorry.

Senator IAN MACDONALD—I think that is about all I have at this stage directly on NRM groups, but I am particularly keen to get the information on when these announcements are to be made to provide some certainty for groups across Australia.

CHAIR—Thank you, Senator Macdonald, are there any further questions for program 1.1? Senator Birmingham.

Senator BIRMINGHAM—Chair, Ms Rankin, good morning. The Caring for our Country business plan includes specific targets, including targets around increasing the area of Indigenous owned land declared as Indigenous protected areas. Could you please take me through what those targets are?

Ms Rankin—The Indigenous protected area target, Senator?

Senator BIRMINGHAM—Correct.

Ms Rankin—That area is largely run by our parks area.

Ms Kruk—Senator Rankin, do you want to come back to that question in a few minutes if we can get the right officer. Who is dealing with it?

Ms Rankin—It would be Peter Cochrane's area.

Ms Kruk—Give us a series of questions and we will endeavour to get some answers back to you during the session if we can.

Ms Rankin—I will see what information I have.

Ms Kruk—You probably have some general information.

Senator BIRMINGHAM—Page 9 of the business plan says:

Increasing Indigenous Protected Areas—To increase the area of Indigenous-owned land declared as Indigenous Protected Areas by 2 million hectares a year in under-represented bioregions and managed as part of the National Reserve System.

And further:

Expand the contribution of Indigenous Protected Areas to the National Reserve System by between 8 and 16 million hectares (an increase of at least 40 per cent).

That is quoting out of the business plan, so I assume they are the targets as not specified but as would be under the key performance indicators in the budget portfolio statement. What is an Indigenous protected area?

Ms Rankin—I am going to be reading out of my notes here because it is an area I am not very familiar with. As I say, it is run by our parks division, but I have some general information here.

Ms Kruk—Can I start, having chaired the group, going right back to the time of Senator Hill, since its inception. It is a program which has been in place for a number of years and which, under the term of this government, has received significant additional funding—I think \$50 million, by recall- where the Commonwealth works with Indigenous landholders to look at the development of plans for Indigenous owned land to enhance the natural and cultural conservation values of that land. From recall, and I am happy to be corrected, I think some 21 million hectares are now actually covered by Indigenous protected area agreements. They have provided, first of all, a framework in terms of enhancing and, in some instances, improving the natural values of that land. They have provided, I think, important employment opportunities for Indigenous groups. There are also commitments in this budget in increased numbers of Indigenous rangers. I think Mr Cochrane touched on those last night.

Senator BIRMINGHAM—What restrictions apply to the types of economic activity that Indigenous landowners could undertake in an Indigenous protected area?

Ms Kruk—There are no restrictions. The issue is this is land that is owned by the Indigenous communities. The plans that the federal government seeks to develop with the Indigenous communities are, in effect, seeking to protect and enhance those values. In many instances, they have also worked with the communities to actually put in place some economic development such as tourism related developments. Yalata in the Southern Basin is a good example and there are a number of other communities where I think a whole range of tourism related activities have been developed under this scheme but in a manner which is actually not inconsistent with their natural values.

Senator BIRMINGHAM—The protection of the protected areas is more about the land management practices that are employed than it is about restricting certain activities from being undertaken or protecting it from certain activities?

Ms Kruk—This is a program, from recall, which was actually independently evaluated a number of years ago which showed significant benefits for communities. It is not a reserve classification as a national park classification would be; they are very different entities. This land is owned and it remains under the ownership of Indigenous communities. It is probably one of the most significant environmental programs that have been introduced.

Senator BIRMINGHAM—Perhaps if you could come back to me by way of answers to questions on notice with a bit more detail about what the minimum standards are for an area to be an Indigenous protected area.

Ms Kruk—Sure. If we can pull together a pack of information for you also showing where the Indigenous protected areas are, we will. They are an incredibly significant potential contribution to the National Reserve System, and I think there is quite a bit of information we can provide you directly and also to the committee.

Senator BIRMINGHAM—Thank you Ms Kruk.

Ms Kruk—Alex, do you want to add anything?

Ms Rankin—No, that is fine.

Ms Kruk—I am sure you are far more familiar with the program than I am.

Ms Rankin—Most of that information is probably on our website.

Ms Kruk—We will get that to you.

Senator BIRMINGHAM—Thank you, Ms Kruk. Thanks, Chair.

CHAIR—Thank you. Are there any further questions?

Senator IAN MACDONALD—Yes, could I quickly ask about weeds in Caring for Country? Are there any specific programs or are they just weeds issues in the bids by the various NRM groups?

Ms Rankin—There are specific targets in relation to weeds in the business plan. This year we are continuing to fund the Weeds of National Significance program under Caring for our Country. There will be ongoing funding for that and that is also articulated in the business plan.

Senator IAN MACDONALD—Again, we went through this on Friday night. I did not hear, that I recall, or see in the *Hansard* mention of the Weeds of National Significance. Is that a separate program or is it only being delivered through the various NRM groups?

Ms Rankin—It is a program that has been operating for some years. Currently it is funded from Caring for our Country, but I understand it is operated in conjunction with state and territory governments as well as a whole range of other industry, farming groups and regional bodies.

Senator IAN MACDONALD—Who manages that program; is that done by the department?

Ms Rankin—It is managed by the agriculture department, yes.

Mr Forbes—It is managed by the agriculture department. It is actually managed through a national committee and that is represented across each jurisdiction. Where there is a Weeds of National Significance there is also a subcommittee associated with the implementation of strategies for control of those particular weeds which are identified as weeds of national significance. There is a network of activities from the national level through to the state and regional levels.

Senator IAN MACDONALD—And that is continuing. Does your department have anything to do with that?

Mr Forbes—Yes, I am currently the temporary chair of the national Weeds Committee.

Senator IAN MACDONALD—Who used to be? Mr Cotter?

Mr Forbes—No, it used to be the deputy executive director from the Western Australian department of agriculture.

Senator IAN MACDONALD—Which was the committee Mr Cotter used to manage? It was a weeds advisory committee. He is the head of AgForce in Queensland.

Mr Forbes—Senator, I cannot answer that. I will have to take that on notice.

Senator IAN MACDONALD—Could you, because we did not get to this; we talked about weeds in agriculture but we did not get to this. Perhaps, through your involvement, I could get details of what the funding is for the Weeds of National Significance, who runs it, what advisory groups there are and how the decisions are made. We were told in Agriculture estimates about the cutback in funding to weeds research and Defeating the Weed Menace program, which has now terminated and been replaced by something with less money. Again, is that something your department is involved in or is it solely Agriculture?

Mr Forbes—It is primarily Agriculture, Senator, but our department has a strong interest because weeds cross boundaries and they are actually also on public lands.

Senator IAN MACDONALD—Certainly, it costs Australia over \$4 billion annually and that is just in economic terms, without even contemplating the horrific damage to the ecology and the general environment. If you take those on notice, that would be helpful, thank you.

Ms Rankin—Chair, I do have an answer to one of the questions Senator Macdonald asked, which was who runs SeaNet. It is OceanWatch Australia Ltd, which is a—

Senator IAN MACDONALD—Okay. That is still continuing?

Ms Rankin—As I said, they are being funded this year and they have applied for funding for next year.

Senator IAN MACDONALD—I suspect this year's was a sort of a transition one-year funding, was it?

Ms Rankin—That is right, yes.

Senator IAN MACDONALD—In the past they have had four- or five-year funding that enabled them to retain staff, et cetera.

Ms Rankin—This year's was certainly transition one-year funding.

Senator IAN MACDONALD—Yes. If they are successful this time, and I am not reading anything into that, but if they are, it will be for a longer period of time?

Ms Rankin—There is certainly the capacity to commit multiple years of funding in this one decision.

Senator IAN MACDONALD—Okay, thanks for that.

CHAIR—Thank you.

Mr Thompson—Chair, I also have an answer for the question Senator Troeth asked before about the title of the ANAO report in relation to the NHC. This report was tabled on 7 February 2008 and it was entitled *Regional delivery model for the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality*.

Senator TROETH—Thank you very much.

CHAIR—Is that the completion of questions for program 1.1? Excellent. Thank you, Ms Rankin and Mr Forbes.

[10.03 am]

CHAIR—We will now go to program 1.2. Just before I call Senator Boswell, can I have a confirmation that all of the senators at the table have questions in this area? In addition, I believe, from last night we have Senator Abetz and Senator Wortley as well. I will work my way through you as we can. Officers in relation to program 1.2: Environment Regulation, Information and Research.

Senator BIRMINGHAM—For the benefit of those officers coming to the table, we are starting with EPBC compliance issues, so, Ms Petrachenko, you can take a seat again.

Senator BOSWELL—I am on Coral Sea. I will go to parrots after Coral Sea.

Senator SIEWERT—Are we going to be systematic about this, so we will do all marine and then we will do EPBC? If we could do that it would make life easier for everybody.

CHAIR—Okay. Senator Boswell.

Senator BOSWELL—I want to ask questions regarding the Coral Sea Conservation Zone under the Environment Protection Act. When was the Coral Sea Conservation Zone proclaimed?

Ms Petrachenko—The Coral Sea Conservation Zone was proclaimed on the 14th of this month.

Senator BOSWELL—How many permit holders are in the Coral Sea protected zone?

Ms Petrachenko—Could you clarify what you mean by permit holders?

Senator BOSWELL—Yes. How many licences: how many fishing licences, are there any aquarium licences? What is there at the moment?

Ms Petrachenko—That is a difficult question to give you a definitive answer to because of the way the licensing regime works with Queensland in terms of commercial operations in that area. We have had quite detailed discussions with the Queensland government and

received a list of operators that they permit license and last week sent out letters concerning the conservation zone to approximately 400 individuals.

Senator BOSWELL—What were those individuals; were they fishermen, aquarium people or charter boats? What were the licences?

Ms Petrachenko—Those 400 were charter boat operators.

Senator IAN MACDONALD—Could I just clarify. You mentioned Queensland. The fishery in the Coral Sea is entirely Commonwealth, isn't it, or is there a Queensland element to it?

Ms Petrachenko—The charter boat operators operate within Queensland areas and Commonwealth waters. Previously they were not given a permit by the Commonwealth. We use the database and the information from Queensland as to charter operators who could, if they wanted to, move out into Commonwealth waters.

Senator IAN MACDONALD—Sorry, but if Senator Boswell was talking about fishing boats, it is only the Commonwealth that would have that information?

Ms Petrachenko—For commercial fishing, that is correct.

Senator IAN MACDONALD—Commercial fishing, yes.

Senator BOSWELL—All right. What is your consultation process in declaring the Coral Sea Conversation Zone? What consultation have you had?

Ms Petrachenko—The process that we undergo is our standard process to date for the overall marine bioregional planning process that we are undertaking throughout all of Commonwealth waters. The process was initiated three years ago and it has been outlined previously but I will go over it again. The start of the process involves the development of a marine bioregional profile. That is where we consult with stakeholders, scientists, academics, all of the various institutions that hold scientific information on the given bioregions. We pull all that information together to develop a profile of the various regions around Australia. We then publish a profile.

Senator BOSWELL—No, can I get a bit more specific. I am not talking around Australia; I am talking specifically about the Coral Sea. You end up in Cairns, what do you do in Cairns? Do you have a public meeting or do you take people through one by one or do you consult the fishermen, do you consult the charter boat operators, do you consult the aquarium operators? How does it work?

Ms Petrachenko—This month on the 14th when the minister announced the Coral Sea Conservation Zone he also released the East Marine Bioregional Profile, which is that summary I was just talking about of all the scientific information we have on that area. That then starts—

Senator BOSWELL—Can we just restrict your answers to the Coral Sea?

Ms Petrachenko—That is specifically—

Senator BOSWELL—And then I will ask on the others.

CHAIR—Senator, can we just allow the official to finish the answer, please?

Senator BOSWELL—If we do we will be here for kingdom come. I am not interested in a lot of answers that the officer is giving. I am specifically asking about the Coral Sea at the moment.

Senator Arbib—Senator, the officer is attempting to answer the question you are asking. I would ask for her to be heard.

Ms Petrachenko—Yes, Senator, specifically for the Coral Sea, there was already one meeting which two of my staff attended in Cairns earlier this month. I believe there were approximately 600 fishermen who attended that meeting. It was discussing specifically issues around the east, what we refer to as the east area for marine planning of which the Coral Sea is a part. Because the minister has now declared the conservation zone under the EPBC Act, we will now be in a formal process of consultation that has many phases over the next year specifically with recreational fishermen, aquarium operators, all commercial operators, charter boat operators, commercial fishermen, NGOs, interested parties and the public, and we will have a detailed consultation process.

Senator BOSWELL—That is good, but it seems like you are consulting after the process has taken place. You have proclaimed it, and now you are going to tell people about it. I would have thought the process was in reverse. You go and ask people's views of what they think about whether it should be proclaimed or not and take all their views into consideration. It seems that you have done completely the opposite: you have proclaimed the area and are now seeking their views. It is pretty pointless in them giving their views on why it should not be proclaimed when you have already proclaimed it. But let us go forward. What is the next process?

Ms Petrachenko—For a point of clarification, I think I need to state that the declaration of the Coral Sea as a conservation zone is not a marine protected area, and there might be some confusion on that issue. The conservation zone is under the EPBC Act, under section 390D, proclamation of conservation zones. If I could just reference the section here, I think it is important because it does inform the next steps of the consultation process. The act clearly states:

Before a proclamation can be declared, the Minister must be satisfied that the area should be assessed to determine whether the biodiversity, other natural features and heritage in the area should be protected by including the area in a Commonwealth reserve.

What the minister has done by declaring the conservation zone is in fact just said to everyone, 'Existing activities can carry on; we are assessing this area to determine which areas, if any, should be included in a marine protected area or a conservation zone in the future,' and that is the process we are undertaking now.

Senator BOSWELL—I think everyone is a bit gun shy of this process because they have been caught very badly before. You had a meeting with 600 fishermen; is that correct?

Ms Petrachenko—I was not there myself. Two of my officials were there, yes.

Senator BOSWELL—They moved a resolution declaring they wanted the Coral Sea proclaimed as a conservation zone?

Ms Petrachenko—No, they did not.

Senator BOSWELL—What did they say to you?

Ms Petrachenko—There were a number of comments. It was an information process. At that point in time, there was a lot of misinformation about what the government's intentions and plans were in the area. The meeting was there where my staff clarified the bioregional planning process, the process that I was trying to explain earlier.

Senator BOSWELL—What environmental groups have you consulted with?

Ms Petrachenko—For the detail on that I will have to take that on notice. It has been a few years in the making, so we have consulted a number of groups, conservation and otherwise.

Senator BOSWELL—Did you consult with Pew Charitable Trusts?

Ms Petrachenko—We have had meetings with Pew, yes.

Senator BOSWELL—You have had meetings with Pew? Who in Pew did you have meetings with?

Ms Petrachenko—I will have to take that on notice. I know my staff have met with them.

Senator BOSWELL—Would it be Ms Zethoven?

Ms Petrachenko—Yes, I believe she was involved.

Senator BOSWELL—I am a great believer in democracy and that people should have the ability to lobby, but I think lobbying goes a bit further when Pew designs the maps and you slavishly go along with them. The Pew map came out and that was exactly the map that was the Coral Sea protected zone. I would suggest to you that you have had more than casual talks with the Pew organisation when you use their maps. Exactly the map that Pew put out is the map that you have used. They have designed your zone.

Ms Petrachenko—Senator, I assume there is a question in there. You are asking me if Pew designed the conservation zone?

Senator BOSWELL—I am asking why you used their exact map.

Ms Petrachenko—We did not, and let me be exceedingly clear—

Senator BOSWELL—It is just a coincidence that—

Senator SIEWERT—We should be so lucky that they should go to the extent of the program that Pew wants. It is nowhere near what the conservation movement wants. Have a look at what they really want.

Senator BOSWELL—Are you right?

CHAIR—Senator, we will let Ms Petrachenko answer the question, please.

Senator Arbib—Chair, could we actually find out what the question was. The problem at the moment is that it was a statement and not a question.

Senator BOSWELL—We might find tonight that the Greens and the Nationals are getting closer and closer on these things.

CHAIR—Thank you, Senator Boswell, I understand that the question had been phrased in terms of did you use the maps of Pew. Ms Petrachenko was attempting to answer that question.

Ms Petrachenko—I will be exceedingly clear about this. Pew had no role in the design of the conservation zone. If I can continue, we have two existing marine protected areas in the whole area of the Coral Sea that are operated by my division. As I said, we had this very detailed process. We started looking at this area and discussing internally concerning a conservation zone early in 2008. We had maps prepared internally and very detailed examination of what the conservation values are in the Coral Sea long before Pew even started talking about the Coral Sea.

Senator BOSWELL—Originally Pew put out a map that took in Torres Strait Islands, and that would have caused some concern with the islanders. Then they removed that map and put in exactly the map that you have used. That has got to be the greatest coincidence of all time in the world's history, an exact map with exact lines. You used their map or they used your map. I suggest their map was out long before your map.

Ms Petrachenko—The information and data upon which maps are drawn in Commonwealth waters are used for a number of purposes. I have no idea what data is available on the web that Pew could have used. Our maps are prepared with input from Geoscience Australia and internally in our department. We have our own group that produces the maps. I am not sure what is publicly available and what Pew might have used.

Senator BOSWELL—You are denying that you used their maps?

Ms Petrachenko—Absolutely.

Senator BOSWELL—At a Coral Sea fishery stakeholders meeting a couple of Mondays ago, what role did Imogen Zethoven have at the meeting? She was at a Coral Sea fishing stakeholders' meeting last Monday. Why would she be there and in what role would she have been there?

Ms Petrachenko—I believe that was a meeting that was organised by the Australian Fisheries Management Authority and I cannot speak to any detail of that.

Senator IAN MACDONALD—They arranged to see Ms Zethoven, did you say?

Senator BOSWELL—At a Coral Sea fishery stakeholders' meeting last Monday Ms Zethoven was there. I wanted to know why was she there, in what position was she there and who was she representing.

Ms Petrachenko—I can only tell you that that was not a meeting that we called and that Ms Zethoven has no association with our department.

Senator BOSWELL—You have never provided funds to Pew?

Ms Petrachenko—No, we have not.

Senator IAN MACDONALD—That would be the other way around, I think.

Senator BOSWELL—You have obviously dealt with Pew. Before you deal with them and take them into consideration, would you examine their background and who funds them? If

someone rocks up, you would examine their credibility, who they represented and how they were funded?

Ms Petrachenko—Yes. We have dealt with the Pew Charitable Trusts on a number of fronts internationally and domestically. Maybe the best example I can give you is there was an International Union for Conservation of Nature conference last year. One of my other responsibilities concerns whales, so I will use this as an example of our interactions with Pew. During that, and I think it was referred to in a previous Senate estimates hearing, there was an IUCN resolution that was put forward by Pew and a number of groups concerning the interaction between whales and fish. Australia was the country that had to intercede to change that resolution because it was inaccurate. We managed to do that and it is on the record of this committee as a previous example of us interacting with Pew.

Senator IAN MACDONALD—Are you aware that Pew is sort of a political lobbying group? Have you done any research on Pew? We know it was all formed with oil and gas moneys from the forties and fifties of the last century; no doubt they have got a guilty conscious now and are philanthropically giving moneys to the so-called environment. I am just reading from their website:

The Pew Research Center's long-term values study tracks beliefs and attitudes—on government, business, race, religion and more—shaping public opinion and influencing voting behavior.

This means it would be supporting groups in Australia that can change voting patterns. I would not say which political party that might be in this area. Are you conscious that it is just another political lobby group?

Ms Petrachenko—We have done a detailed examination of their structure. They have quite a complicated structure as well because of their many different interests, as I mentioned whales and other environmental interest, and also I think they give fellowships and scholarships. They have a number of various funding mechanisms in different aspects to their organisation.

Senator IAN MACDONALD—I see on their website they say, 'Don't apply to us for funding unless it is an issue that we have initiated.' Are you aware of what sort of funding they are providing to various Australian so-called environment groups or political directed organisations in relation to the Coral Sea aspect? Would you be aware of that at all?

Ms Petrachenko—No, I am not.

Senator BOSWELL—When is the plan stating the restrictions based on biosecurity studies going to be released, that is the biosecurity plan that I think goes down to Batemans Bay?

Ms Petrachenko—The Marine Bioregional Plan for the area covered by the Coral Sea is scheduled to be completed by the end of 2010.

Senator BOSWELL—There is another plan, I understand, called a biosecurity plan and it goes further, it takes in that line but goes down as far as Batemans Bay.

Ms Petrachenko—The Coral Sea is within the east bioregion, so the Coral Sea is part of that bioregional plan.

Senator BOSWELL—Is there going to be any structural readjustment package for those who will be affected in this region? What information will you rely on in devising this package? Have you established a steering group and who will be on the steering group?

Ms Petrachenko—Senator, I believe I answered this question yesterday when the Great Barrier Reef was up here and we had a discussion about displaced effort.

Senator BOSWELL—I was not here then. Would you mind answering it again for me, please?

Ms Petrachenko—We have just completed a tender process to engage some external expertise in law, economics and the like to help us assess what will be our policy framework for any activities which are potentially displaced by the creation of a marine protected area. As well, we are engaged with the Bureau of Rural Sciences to undertake a detailed analysis of various fishing activities and the like in the area. That is underway as we speak. A steering group is being formed, along with the stakeholder reference group, and letters have just gone out to those individuals. I took on notice yesterday to provide the committee with the detailed list of those individuals who have been invited from industry and other groups to be on the steering committee.

Senator BOSWELL—I think I asked you this yesterday, but I will ask it again. There is going to be a review on the Great Barrier Reef Marine Park Structural Adjustment Package that will provide lessons learnt and be an important contribution. Can you give me an assurance that that structural adjustment committee is not going to structurally adjust more fishermen out of the Great Barrier Reef area?

Ms Petrachenko—Yes, we have no work going on with the Great Barrier Reef. That is not part of the remit of my division. So, yes, I can.

Senator BOSWELL—What scientific studies have you done that determines that there is a requirement for additional zoning in the Coral Sea?

Ms Petrachenko—I could table with the committee today the east bioregional plan which references all of the scientific information on which we have done that work today.

Senator BOSWELL—Is that the Coral Sea?

Ms Petrachenko—Yes, the Coral Sea is in here.

Senator BOSWELL—In the Pew document *An Australian Coral Sea heritage park* edited by Imogen Zethoven it states, ‘Much of the biodiversity of the Coral Sea is poorly understood, but it should be conserved for its global significance.’ There are already 17,300 kilometres of no-fishing areas in the Coral Sea region, encompassing a variety of reef formations that represents over 60 per cent of the available reef platform and coral bank area in the Coral Sea region, which exceeds even the maximum 50 per cent level of protection suggested by advocates of the marine protected areas. Any need for additional no-fishing areas in this region cannot be justified. Good quality well-funded research by independent scientists is critical to the process of evaluating the effectiveness of existing no-fishing areas. I suppose you have proclaimed it now, so the question then becomes, have you commissioned independent science to assess the Coral Sea zone?

Ms Petrachenko—Yes, that is the document to which I referred, and I would be pleased to table it—

Senator BOSWELL—Who was the independent scientist that you used?

Ms Petrachenko—There were a number of independent scientists; all of it is documented.

CHAIR—Ms Petrachenko has offered to table a document. With the leave of senators, I will accept the tabling of that document. Continue, Senator Boswell.

Senator BOSWELL—I thank you for the document and I will read it.

CHAIR—I am not stopping you asking questions; I am just getting the document tabled.

Senator BOSWELL—There are a lot of people very interested in this and if you could just nominate the independent scientists that you have relied on. Could you just put them into the *Hansard* for us, please?

Ms Petrachenko—In an area as large and complex, I would be very interested if there was one independent scientists we could rely on. So that document references all of the independent science commissioned through CSIRO, all of the various academic institutions that were brought together. It is in the document, which is also freely available on the web.

Senator BOSWELL—Okay. Could you tell me what is particularly significant about this area? What is different about this area than any other area of ocean, especially as it is adjacent to the Great Barrier Reef, which covers 344,000 square kilometres of the Coral Sea? What studies are you basing it on?

Ms Petrachenko—Again, in terms of the studies, they are documented in detail in that document, which goes through every bioregion, including the area covered by the Coral Sea. What is unique about the Coral Sea is its complexity in terms of biodiversity values and the fact that it is one of the few relatively pristine areas of ocean in fact left in the world.

Senator BOSWELL—You are saying you are looking at a package for the eastern zone. What information are you going to rely on? Have you established a non-government organisation advisory group and who is going to be part of this group?

Ms Petrachenko—Sorry, Senator, could you clarify again what advisory group you are referring to?

Senator BOSWELL—You are saying that there is going to be an advisory group on addressing displaced fishing efforts arising out of MPAs. That is what Ms Zethoven says; she seems to be running the damn department, but that is what she is telling people. She is saying that there will be an advisory group.

Ms Kruk—Senator Boswell, would it be more sensible that Ms Petrachenko can actually detail the advisory groups rather than you quoting from Pew and we either accept or reject what Pew's assertions are? I would prefer to rely on Ms Petrachenko's recounting of the process to be followed.

Senator BOSWELL—Ms Zethoven is telling people that DEWHA will be establishing a steering group including a number of government departments. It seems that she is advising everyone. She advised the GBRMPA chairman that he would be monitoring and looking after the Coral Sea zone. Now she is telling other people that there will be a steering committee

including a number of government departments. It appears that she is running this operation. I am trying to establish whether you are running the operation or she is running the operation.

Ms Kruk—As I have indicated, Ms Petrachenko—

CHAIR—Order! Ms Kruk, would you like to respond to Senator Boswell.

Ms Kruk—If Ms Petrachenko could have an opportunity to run you through the process.

CHAIR—Ms Petrachenko can answer your question, Senator Boswell.

Senator BOSWELL—I am sorry.

Ms Petrachenko—Thank you. I would really like the senator to be clear that as first assistant secretary, Marine Division I have responsibility for identifying and advising the minister on the identification and establishment of marine protected areas in Commonwealth waters, and no member of the Pew organisation works on my staff.

Senator BOSWELL—I know they do not work on your staff. I completely accept that they are not paid by you, but how many times would you have met and interviewed—

Ms Kruk—Senator, I accept I am a new player in this field, but Ms Petrachenko has put on the record our relationship with Pew. I have no shortages of stakeholder groups who provide submissions indicating what they believe is the right thing to do. I would view Pew in that capacity. I would view Pew as one of a number who would have very strident views about what the right or wrong thing is to do in this case. Ms Petrachenko has been very clear in articulating the process. I am fortunate enough in never having seen the various maps that Pew has put forward. I am conscious, given the amount of time that has been dedicated to Imogen—I am afraid I do not recall her surname—that she is obviously a significant player in the minds of many here. I ask again: can Ms Petrachenko have the opportunity actually speak to the process rather than actually refuting linkages with Pew.

Senator BOSWELL—Thank you for that, but I reserve the right to ask questions.

Ms Kruk—I am offering you the opportunity for her to answer the questions.

Senator BOSWELL—Could I table the maps that are in the Pew document.

Ms Kruk—I would welcome that.

Senator BOSWELL—They are the exact same maps, as I understand, it that are used by your department.

Ms Kruk—I think Ms Petrachenko has dealt with the issue in terms of the development of the zones.

Senator BOSWELL—Let me get back to—

Ms Kruk—Chair, I do not think I can go any further on this without actually accepting an assertion that we are being accused of lying, which I do not think is productive.

Senator BOSWELL—I have never accused you of lying; I never accused anyone of that. I am trying to establish what influence that Ms Zethoven has had on this Coral Sea proclamation. I am suggesting that it is beyond a normal lobbying situation. Let me continue. There is going to be a group formed; that group will be led by DEWHA and they will be establishing a steering group, including a number of government departments. There would be

an NGO advisory committee that would include industry involvement. The policy framework is supposed to be completed by mid-year. That is a quote straight from the horse's mouth. Do you deny that is happening? You do not; you have confirmed that that is happening.

Ms Petrachenko—As the secretary indicated, I will take a few minute to reiterate what I said yesterday about the process we are undergoing. This is not just for the Coral Sea, because, as I outlined yesterday, we are undertaking the identification of marine protected areas throughout Commonwealth waters between now and 2010. We are forming a national advisory group or steering committee of stakeholders. I have taken on notice to provide the senator and the committee with a list of those individuals who have been invited to participate in that. It is a stakeholder group, so it includes charter boat operators, recreational fishermen, commercial fishermen, representatives from tourism et cetera and anyone who potentially has an interest and could potentially be displaced by an activity in the creation of a marine protected area. As I mentioned earlier today and yesterday, we have just gone through a select tender process to engage external expertise as well as engaged with the Bureau of Rural Sciences.

Senator BOSWELL—Will Ms Zethoven be on that committee or has she been invited to be on that committee?

Ms Petrachenko—I do not believe so, but I will take that on notice and verify it.

Senator BOSWELL—Thank you. If there is no intention to make any changes to the use of the Coral Sea, why is it necessary to issue a permit system? Why are we going to have a permit system, firstly, for the charter boats? The fishermen are very nervous that they are going to have to line up for a permit too. The charter boats are in at the moment. If there are no changes to the use of the Coral Sea, why do we have to then go to a permit structure?

Ms Petrachenko—The reason for that is the creation of a conservation zone in the legislation, as I indicated earlier, is like freezing existing operations at a point in time. We permit those existing operators and anyone who has not operated to date cannot have a permit. When we permit, we then know what commercial activity is ongoing in the Coral Sea Conservation Zone as we assess it for further protection measures, if appropriate.

Senator BOSWELL—Ms Zethoven suggested that GBRMPA should be policing the Coral Sea. She even took it upon herself to ring up the chairman of GBRMPA and tell him—did not ask him, mind you; told him—that he would be nominated by her to run the policing of the Coral Sea. He declined—

Ms Kruk—And issued a public statement—

Senator BOSWELL—And issued a public statement. I am now asking: who is going to police this huge zone? It is one thing to proclaim it, but then once you proclaim it you have got to patrol it and—

Ms Petrachenko—We operate a number of marine protected areas in Commonwealth waters. We do have two marine protected areas that currently exist in the Coral Sea: Lihou and Coringa-Herald Commonwealth marine reserves. In those areas we will undertake similar activities as we do around Australia through contracts with state officials, Customs or Coastwatch. Various options are before us in that regard.

Senator BOSWELL—Is there any other country of this size, per capita, that has zoned a marine protected area as large as this?

Ms Petrachenko—Actually, the largest marine protected area declared in the world was done last year by President Bush. It is the Hawaiian Islands marine sanctuary.

Senator BOSWELL—Thank you. I want to get back to the maps. I find it an extraordinary coincidence that you can draw a map and it can be exactly the same. If my information is right, these maps were put out by Pew and are identical to the maps the government has proclaimed.

Senator Arbib—I think we have covered fairly substantially what the witnesses views are.

Senator BOSWELL—Yes, I just wanted to make my point and I have made my point.

Ms Kruk—As have I, Chair.

Senator IAN MACDONALD—Could I just ask on that: is it correct that your proposal is identical to the Pew submission except that you have allowed extraction industries to continue?

Ms Petrachenko—I cannot answer that question as I am not fully familiar with the Pew proposal; I read it very briefly. I do not know what they have included in their proposal. I know it has heritage areas to it.

Senator IAN MACDONALD—Did Pew not make a submission to the department or to the minister on this Coral Sea zoning?

Ms Petrachenko—There was a very large book that came out and we received it. The World Wildlife Fund that had a very detailed proposal on the Coral Sea as well, so that was another one. I think there was a launch of that a couple of months ago. We have received a number of submissions from various groups and even seen some inroads from the fishing industry about what we should be doing in the Coral Sea.

Senator IAN MACDONALD—I am sure you did not follow the fishing industry's proposal. My question, which you might have to take on notice, is: is what Minister Garrett has come up with identical to the Pew submission except that you have allowed the continuation of extractive industries?

Ms Petrachenko—I will take that on notice, Senator.

Senator BOSWELL—Could you identify your area if I gave you the map?

Ms Petrachenko—I can table our map if you would like.

Senator BOSWELL—Yes, and can I table these maps. Would you like to have a look at them and see whether they are identical?

Senator SIEWERT—Ms Petrachenko, perhaps you could tell us on what basis you designed your map. I presume you designed it on ecological zones, scientific boundaries et cetera, which I presume is well-known information and is logical for mapping using for boundaries for such an area, would you not say?

Ms Petrachenko—Yes, I would. As I tried to indicate earlier, the way we go about identifying zones and marine protected areas is based on the bioregionalisation that we have

done around Australia. That is where we look at all of the various bioregions. That is what the National Representative System of Marine Protected Areas is based on. That has been publicly available. The states and territories use the same maps to create the marine protected areas in their waters. The Integrated Marine and Coastal Regionalisation of Australia, which is known as IMCRA, is available. Our stated approach is that we will represent each of those bioregions in a marine protected area. It is also clear that it just covers Commonwealth waters. That information is out there for a map to be based on, yes.

Senator BOSWELL—I have just tabled the two maps.

CHAIR—Yes, Senator Boswell, we have got the maps. Do senators require copies of these maps?

Senator BOSWELL—I will ask whether the officer could identify the Pew maps as being the same as her maps. I have tabled the Pew maps. I have asked you to identify whether those maps are identical to yours.

CHAIR—Senator Boswell, I think we have had enough answers about maps. We have played ‘map snap’, and it is time to go to morning tea.

Senator BOSWELL—Hang on, hang on.

Senator Arbib—Chair, just to assist. The officer has taken a question on notice from Senator Macdonald concerning the maps.

Senator BOSWELL—I take it you are not prepared to look at Pew’s maps and identify them as the same or whether they are the same as the department’s maps? It is okay if you do not want to do that; the record will show that.

Senator Arbib—Senator, that is your opinion, and I am very happy for you to have that. But we have taken on board that the question from Senator Macdonald is now on notice.

Senator BIRMINGHAM—It would be easy to clarify, Senator Arbib. Taken on notice, the department will compare the maps provided by Senator Boswell and identify any differences.

Ms Kruk—The question was also—

Senator Arbib—It was a very similar question.

Senator BIRMINGHAM—It may be a similar question, but if you want to clear it all up—

Senator Arbib—I think the information that will be provided from the question from Senator Macdonald will suffice.

Senator BOSWELL—If you do not want to do it, you stand indicted on your own reluctance.

Ms Kruk—Ms Petrachenko has agreed to do that, Chair, and to roll it all up into one.

CHAIR—The answer will come, Senator Boswell, in due course. Thank you. It is now time for morning tea, so the committee will suspend for morning tea until 11 o’clock. Thank you.

Proceedings suspended from 10.45 am to 11.03 am

CHAIR—I would like to get started again. I welcome Senator, the Hon. Kim Carr, Minister for Innovation, Industry, Science and Research representing the Minister for the Environment, Heritage and the Arts. Welcome, Senator Carr.

Senator Carr—Thank you.

CHAIR—Senator Macdonald.

Senator IAN MACDONALD—Thank you, Madam Chair. In this general area, before I follow-up on Senator Boswell's question: is the National Oceans Office still going?

Ms Petrachenko—Senator, you will recall that a number of years ago the government decided to change the operation of the National Oceans Office from it being a separate authority or executive agency to part of the department. It is now a branch within my division.

Senator IAN MACDONALD—It is still operating as a branch within the department?

Ms Petrachenko—Yes, I have a branch in Hobart.

Senator IAN MACDONALD—What work has it done on this proposal?

Ms Petrachenko—We reorganised responsibilities last year so staff in that office have responsibilities for all of our science coordination. They do a lot of the liaison work with CSIRO, marine, which is in Hobart as well. They do the science work. They also do the network of marine protected areas in the temperate areas of the south-east, of which you are familiar, that were identified last year or the year before. They are doing the south-west marine bioregional plan, which is in WA and South Australia; and parts of the east have some staff in Hobart and in Canberra.

Senator IAN MACDONALD—The National Oceans Office is still based in Hobart but has some staff in Canberra?

Ms Petrachenko—It is no longer called the National Oceans Office; it is called the Temperate Marine Conservation Branch of the marine division.

Senator IAN MACDONALD—They used to have a small office in Cairns or Darwin, didn't they?

Ms Petrachenko—We have an officer who works in Darwin and we have an officer who works in Perth, working on the south-west plan. A number of years ago—I will have to double-check that but it would have been at least three years ago—we did have an officer in Cairns but she resigned. As we are moving into the planning process in the east, we are now looking at whether we will base an officer in that area again.

Senator IAN MACDONALD—Will this work with the Coral Sea mainly come out of what used to be the National Oceans Office?

Ms Petrachenko—Some of it was there and some was in Canberra. A lot of the science work was done externally through Geoscience Australia, BRS and a number of places, but the responsibility is between Hobart and Canberra in my division.

Senator IAN MACDONALD—Could you tell me why it is that the Department of Agriculture, Fisheries and Forestry was not consulted in relation to this declaration of the

conservation zone? We were told on Monday or Tuesday morning that they were advised a couple of weeks before the announcement but were not consulted at all.

Ms Petrachenko—I am not aware of their response, but I know we had interdepartmental committees, correspondence and discussions interdepartmentally on the Coral Sea and the east area, and there was correspondence between ministers as well.

Senator IAN MACDONALD—I will refer you to the *Hansard* where we discussed this. I think it might have been Tuesday morning.

Senator BOSWELL—I think it was Monday.

Senator IAN MACDONALD—Monday night, was it? I have got Monday night's *Hansard*. I will have another look at that, then.

Senator BOSWELL—I was there on Monday and I was not there on Tuesday.

Senator IAN MACDONALD—They gave us figures, I think on Tuesday morning, on the takings from the Coral Sea and from the Eastern Tuna and Billfish Fishery which covers the Coral Sea. I think it was Tuesday morning because I cannot pick it up in Monday night's *Hansard*. From memory, they said there were about a thousand tonnes of fish taken from the Coral Sea, which is an area almost the size of France or bigger than the size of France.

Ms Petrachenko—Yes.

Ms Rishniw—The Coral Sea Fishery—

Senator IAN MACDONALD—You are from the tropical marine branch?

Ms Rishniw—Yes.

Senator IAN MACDONALD—Is that different to temperate marine?

Ms Rishniw—Indeed.

Senator IAN MACDONALD—So NOO became the temperate marine branch and you are in the tropical marine branch?

Ms Rishniw—I am in the tropical marine branch, Senator.

Senator IAN MACDONALD—This would be more your work than that of the former NOO office?

Ms Rishniw—It crosses between the two branches because the east marine plan is really the basis for the whole area. The Coral Sea Fishery takes 105 tonnes.

Senator IAN MACDONALD—What other fish are taken from the whole of the Coral Sea, bearing in mind that most of the marlin boats catch marlin and tag and release them and provide the basis for any research that Australia does into marlin?

Ms Rishniw—The Coral Sea Fishery is the only Commonwealth fishery that is completely within the Coral Sea. The Eastern Tuna and Billfish Fishery extends through the Coral Sea and beyond. That fishery takes approximately 6,000 tonnes of fish, and that includes a range including big eye, yellowfin, striped marlin and broadbill.

Senator IAN MACDONALD—They are the figures we were given, except they went one step further and said that in the Eastern Tuna and Billfish Fishery, out of the Coral Sea part of it, it was about a thousand tonnes.

Ms Rishniw—I would need to take that on notice, Senator. I could not give you the exact figures.

Senator IAN MACDONALD—Again, it is on record on *Hansard*. Anyhow, that is about right. What other impacts are there on the Coral Sea besides those two minute fishing operations?

Ms Petrachenko—In terms of impacts right now, as I said, we are continuing to allow existing commercial activity. Currently there is no impact of the declaration of the Coral Sea.

Senator IAN MACDONALD—No, no. My question was, there is an impact, albeit infinitesimal, of those two fishing operations we have mentioned; what other impacts are there on the ecology and marine environment in the Coral Sea?

Ms Petrachenko—In terms of impacts of use, there are various types of use. There is chartered boat operation in terms of recreational fishing, which is relatively insignificant in terms of impact.

Senator IAN MACDONALD—You would agree with my comment earlier that 95 per cent of the marlin they catch out there, they tag and release and provide you with the only real source of scientific research into marlin and the marine area?

Ms Petrachenko—There is information provided from those programs, yes.

Senator IAN MACDONALD—So, apart from the charter fishing, which is principally tag and release, and the infinitesimal bit of commercial fishing, what other impacts on the Coral Sea are we trying to protect by the declaration of the conservation zone?

Ms Petrachenko—What we are trying to do right now is, as I said, continue with existing operations. As we are assessing this area, we do not want to see a huge expansion or an expansion of activity in that area. That is why we are allowing existing operations to continue as we do the detailed assessment.

Senator IAN MACDONALD—Ms Petrachenko, you have been around long enough to not misunderstand the questions I am asking. I am saying that the impact of commercial fishing and the impact of marlin boat charter is infinitesimal. What other impacts are we trying to guard against by declaring this a conservation zone?

Ms Petrachenko—Potentially any type of new activity that could occur.

Senator IAN MACDONALD—Like what? Don't tell me the Labor Party is going to allow drilling.

Senator Carr—Hang on. Senator, let the officer answer the question.

Senator IAN MACDONALD—Thank you for your useful—

Senator Carr—It would be a lot more useful if you let the officer answer the question.

Senator IAN MACDONALD—Why don't you keep out of it. Keep out of it!

Senator Carr—I won't keep out of it. You're not here to bully these officers.

Senator IAN MACDONALD—Keep out of it! You're not in a union meeting now, Senator.

Senator Carr—And you're not here to bully these officers!

Senator IAN MACDONALD—And you are not in your left wing Victorian Labor Party cabal at the moment.

CHAIR—Order! Ms Petrachenko.

Ms Petrachenko—I do not think it would be appropriate to speculate on what type of other activities could go on. What we are seeing overall in the oceans are all kinds of new activities—for example, proposals for ocean fertilisation, where the government now has said that it will not allow ocean fertilisation activities to occur. It is really to say that we want to ensure that we know what is going on with all the commercial activity. As we assess this area, we allow existing activities and then the government will decide what to do in the future.

Senator IAN MACDONALD—For us ignorant people, what is ocean fertilisation?

Ms Petrachenko—This is an international issue right now and it has some potential domestic applications. The idea is that you put nutrients—pieces of iron shavings basically—into the ocean to create what some believe could be a carbon sink and absorb carbon from the atmosphere into the ocean. There are proposals from companies to do that in parts of the world.

Senator IAN MACDONALD—Oh, so that would save our greenhouse gas emissions.

Senator BOSWELL—I bet that would be supported by the Greens!

Senator IAN MACDONALD—Is it not a fact that—

Senator SIEWERT—Stuff up another environment to fix another stuff-up—good idea!

Senator IAN MACDONALD—Is it not a fact that the level of fishing in the Great Barrier Reef has diminished over the last couple of decades rather than increased?

Ms Petrachenko—I cannot answer that on behalf of the Great Barrier Reef, sorry.

Senator IAN MACDONALD—The Coral Sea, not the Great Barrier Reef. This is where consultation with the fisheries department would have been useful. As I say, their advice to me is that they were not—

Ms Petrachenko—Senator, just on that point and to clarify what you asked me earlier, I do have a copy of the *Hansard*.

Senator IAN MACDONALD—Is it from Tuesday morning or Monday?

Ms Petrachenko—Monday and it says, if I can quote, if that is appropriate—

Senator IAN MACDONALD—What page?

Ms Petrachenko—This is page 144. This is on the question of consultation. You ask whether they were aware of that announcement:

Mr Thompson—Yes, we were aware that that announcement was going to be made.

Senator IAN MACDONALD—You were consulted?

Mr Pittar—We and a number of other portfolios were consulted.

Senator IAN MACDONALD—Does it go on? I cannot see that. It is on page 144, halfway down the page?

Ms Petrachenko—Three-quarters of the way down.

Senator IAN MACDONALD—Yes, I see that. I apologise to them and to you, although I will keep reading there because I am quite sure they indicated it somewhere there. We will look at that but, for the moment, thank you for pointing that out. I have forgotten where I was at.

Senator BOSWELL—Senator Macdonald asked you what other impacts there were on the Coral Sea. He mentioned charter boats and fishing. Is there anything else—aquarium fishing?

Ms Petrachenko—Yes, I believe that the aquarium live fish trade operates there as well.

Senator BOSWELL—Will they have to be licensed?

Ms Petrachenko—They will require a permit as a commercial activity, yes.

Senator BOSWELL—So, the charter boats and the aquarium fishers will have to have permits. Are there any other industry groups or other groups that will require permits?

Ms Petrachenko—Anyone who wants to undertake scientific research in the area will require a permit, as will any commercial operation.

Senator BOSWELL—Other than fishing?

Ms Petrachenko—Yes.

Senator BOSWELL—Fishing will not require a permit?

Ms Petrachenko—No, any commercial operation will require a permit.

Senator BOSWELL—Sorry, I just lost concentration there. Are you saying that commercial fishing will require a permit?

Ms Petrachenko—Charter—

Senator BOSWELL—I know charter boats will require a permit; will commercial fishing require a permit?

Ms Petrachenko—I will let Ms Rishniw give you more detail.

Ms Rishniw—Senator, commercial fishing operators that are authorised under Commonwealth or state law operating in the area will not be subject to permitting because they are already covered by regulation.

Senator BOSWELL—Let us look at a guy who has not got a licence now but gets one, builds a boat, buys a licence from someone else and goes out; will he have to be licensed?

Ms Rishniw—If he is a commercial fisher covered by Commonwealth or state regulations as a commercial fisher, he would not.

Senator BOSWELL—Even though he is new into fishing?

Ms Rishniw—Because he is buying an existing licence and he is currently regulated under Commonwealth or state law.

Senator BOSWELL—Thank you.

Senator COLBECK—Can I just follow on from that because that was effectively the line of questioning that I wanted to go to. Do the existing Commonwealth licences—and I think we found out from the Department of Agriculture, Fisheries and Forestry that there are 111 of them out there—remain tradeable?

Ms Petrachenko—Yes.

Senator COLBECK—There are no restrictions on the trade or leasing of those licences?

Ms Petrachenko—No, there is no change to the licensing regime, Senator.

Senator COLBECK—Just to clarify the aquarium trade, are they actually licensed as a Commonwealth fishery?

Ms Petrachenko—Yes, they are.

Senator COLBECK—Why do they need a permit if they are already licensed as a Commonwealth fishery?

Ms Petrachenko—Sorry, I was a bit confused between charter and commercial at that point. No, they wouldn't.

Senator COLBECK—Okay, that is fine. What about permits? If someone is currently operating in that region, they are required to apply for a permit and permits last until 2014 unless a decision is made beforehand. Are those permits tradeable?

Ms Petrachenko—No, there is no cost to those permits.

Senator COLBECK—But the permit is basically quantifying an existing-use right. So, if a charter boat operator applies for a permit now but sells his charter boat operation, is the permit to the operation or is it to the operator and therefore is that permit tradeable in that context? You could effectively reduce effort in those particular areas by saying, 'It is a personal permit not a business based permit,' and then refuse to transfer it. Is it transferable in that context?

Ms Rishniw—Senator, if I can answer that, the permit issued to a charter boat operator is issued under the EPBC regulations and as such is not tradable. It does not confer a particular property right upon them. It is common practice to check under the EPBC Act for any new permit application to see whether that person has any environmental history or convictions. We would expect that any new charter boat operator who is operating in the Coral Sea, should they effectively undertake the same kind of activity, would be able to apply for a free permit and would be subject to the same kind of—

Senator COLBECK—But that contravenes the announcement. The announcement says 'no new activity'. What you are saying effectively is that if a charter boat operator wants to sell their boat and if they have been doing a lot of work in the Coral Sea, the right to continue that work in the Coral Sea does not transfer. You are actually limiting the value of what they are selling. I do not know how many there might be; that is the question I am asking. Effectively you can reduce effort by people moving out of that particular market.

Ms Rishniw—That is not the intention, as I understand it, Senator.

Senator COLBECK—A lot of things do not start off being intentional, but they end up being reality, unfortunately. That is the way regulation works.

Ms Rishniw—If the business is sold and the activity is of the same type, then they would be entitled to apply for a permit.

Senator COLBECK—It still does not give me confidence at this stage of proceedings that they will get a permit. I understand what you are telling me. Perhaps they might have to rely on *Hansard* from today to prove their case one day down the track if that occurs. That is all I have on the Coral Sea.

Senator IAN MACDONALD—Can I just go back to where I remember I was now. Those permits for the charter boat operators—who actually issues them?

Ms Petrachenko—The department does, Senator.

Senator IAN MACDONALD—So what is the process?

Ms Petrachenko—When the zone was declared—I mentioned this yesterday, for those senators who were here—we used the information from the Queensland primary industries department in terms of who operates and could potentially operate in that area. We sent out letters to approximately 400 individuals. We have provided them with the information and if they then say, ‘Yes, I operate in the Coral Sea area,’ they then fill in that information, send it back and we send them a permit.

Senator IAN MACDONALD—It is an application form; there is no fee at the moment?

Ms Petrachenko—No, there is not.

Senator IAN MACDONALD—Is the cost of that process a big cost to the department?

Ms Petrachenko—We do very similar activity for other marine protected areas that we operate in Commonwealth waters. It is additional work for existing staff, so I am not aware of what any incremental cost would be.

Senator IAN MACDONALD—What other Commonwealth waters require those sort of permits or similar types of permits?

Ms Petrachenko—In the majority of marine protected areas you need a permit to do scientific research and for tourism operation and commercial operation.

Senator IAN MACDONALD—Is there a charge on any of the others?

Ms Rishniw—Currently, Senator, there are 25 marine protected areas that are managed by the division, and the marine protected areas that are declared under the EPBC Act currently do not have any charge applying to permits.

Senator IAN MACDONALD—With budget deficits reaching in the tens of millions, I can see a—

Senator COLBECK—Don’t encourage them, Senator!

Senator IAN MACDONALD—I am not encouraging them. I do not agree with Ms Zethoven on much, but one thing we do agree is that GBRMPA would probably be the best to manage the conservation zone. Is it intended that GBRMPA will do that?

Ms Petrachenko—A decision by government is yet to be made in terms of the future operation of any marine protected areas that are identified in the Coral Sea. Right now the responsibility for managing the conservation zone is with the department and my division.

Senator IAN MACDONALD—GBRMPA currently collect the environment management charge in the Barrier Reef and have a close working relationship with the charter boat and other operators in the Great Barrier Reef Marine Park. Was any consideration given to having GBRMPA issue the permits for the charter boats?

Ms Petrachenko—No, Senator, and the reason for that I think Dr Reichelt mentioned: their responsibilities through their legislation are for the Great Barrier Reef Marine Park area and the Coral Sea is outside that.

Senator IAN MACDONALD—Yes, he did say that, but he also conceded that he is already doing, as with most of those marine park operators, the sort of permit issuing that you are now doing. Wasn't there consideration given to the thought that it would be convenient at least for the marine park operators if they used the one process for all of the permits they need, including the environment management charge? That was not considered?

Ms Petrachenko—As I said, Senator, they have their legislation. This falls within Commonwealth waters, outside the Great Barrier Reef area of responsibility. We are trying to make it as convenient as possible. In terms of any operators, the information is on the web, and, as I said, we have already been sending out correspondence to them. We are trying to make it as convenient as possible.

Senator IAN MACDONALD—Did you consult with the New Guinea, Solomon Islands or American governments in relation to this declaration?

Ms Petrachenko—No, I did not.

Senator IAN MACDONALD—Not you personally, but the department?

Ms Petrachenko—No, we did not.

Senator IAN MACDONALD—You are aware that the Americans under the Western and Central Pacific treaty have certain fishing rights in the—

Ms Petrachenko—Yes, I am aware, Senator.

Senator IAN MACDONALD—Those existing fishing boats are licensed, in the Australian case, to AFMA. You are not requiring them to be license permitted like the charter boats?

Ms Rishniw—Senator, the same rules as apply as to other commercial fishing operators, so anything that is covered by the US treaty would be covered and would not require an additional permit.

Senator IAN MACDONALD—That is in relation to the American boats. But, in relation to the Australian boats, they are licensed by AFMA. You are not going to require them to get a permit to operate in the Coral Sea?

Ms Rishniw—So long as there are engaged in commercial fishing activities covered by AFMA regulations, no.

Senator IAN MACDONALD—I have apologised. I am not giving in on the consultation with the department, because as I recall it went on to Tuesday but I will interrupt if I apologise wrongly. Did you speak to AFMA as well as the department on the declaration of the zone?

Ms Rishniw—Yes, we did.

Senator IAN MACDONALD—Long before the announcement?

Ms Rishniw—We consulted with a range of portfolio agencies and AFMA as well. Senator, I would have to take on notice the times and the instances on which we consulted, but there was certainly an extensive consultation in December of last year.

Senator IAN MACDONALD—Do you know if that included the Torres Strait Regional Authority or any representative of the Torres Strait people?

Ms Rishniw—It did not.

Senator IAN MACDONALD—That is all I have on the Coral Sea. We await with trepidation further developments.

CHAIR—Are there any further issues on marine?

Senator COLBECK—On the general national marine bioregional planning, can you give us a sense of where each of those is at and how you are looking with respect to your schedule? I have had a look at the schedule on the website. According to the plan, the central east zone was due for release in December. It is obviously fairly new off the press?

Ms Petrachenko—Yes, it was just released on the 19th.

Senator COLBECK—May?

Ms Petrachenko—Yes.

Senator COLBECK—Are you still confident that you have got enough consultation time to complete by the end of 2010 or by 2010?

Ms Petrachenko—Yes, that is the current plan.

Senator COLBECK—You are effectively having to compress some of the other activities that sat within the plan?

Ms Petrachenko—No, Senator. The normal time frame that we have from the release of the profile to the completion of the draft plan is one year for all of the areas.

Senator COLBECK—I know you do not have this in front of you, but you have nine months between now and February, which is the period for the draft bioregional plan before the final is released, due in March next year. Prior to that you were looking at something in the order of 15 months. How is that comparing with what is going on with the others? What dates were the south-west, north and north-west ones released? I know they were all released.

Ms Petrachenko—As senators are probably aware, this new approach to bioregional planning started in July three years ago. What we found when we did the south-west that it was more time consuming because it was the first one, basically. If you look at all the profiles, they follow a very similar format. The south-west took much more time than the profiles for the others. We learned from that experience. I can take that on notice and give you the actual dates.

Senator COLBECK—I remember the south-east one well. Effectively the department put out a series of maps and profiles and then there was a fairly frenzied period of negotiation

with stakeholders in particular. Has that process changed? Is that stakeholder process occurring or has it occurred before the release of those draft bioregional plans?

Ms Petrachenko—I will use the south-west as an example of the process that we are following. Last week we had stakeholder meetings and looked at maps of broad areas of interest for the various bioregions, similar to what was in the south-east. We looked at the large areas of interest potentially for marine protected areas, and we are sitting down with the industry and getting more detailed information about those areas to then come up with proposals for the government on where marine protected areas could be sited.

Senator COLBECK—Rather than bringing out maps that cause all sorts of consternation, a lot of that pre-planning work is done in advance, so the industry is not so excitable when it comes to the negotiating process?

Ms Petrachenko—Yes.

Senator COLBECK—Please take on notice for me the times that those plans were brought out and the timetables that you have for the next stages in the process for each of those particular plans. If you could also give me any proposed meeting dates that you have set up at this stage so that we can be aware of those, that would be useful. Do you have the stakeholder groups established in each of those regions?

Ms Petrachenko—We have. I will let Ms Rishniw answer for those areas.

Senator COLBECK—If you have those established, just give us the details of the groups involved on those particular steering groups, reference groups or whatever you want to call them.

Ms Petrachenko—Okay, thank you.

Ms Rishniw—I can give you some detail on the south-west. There was a meeting in Perth the week of 18 May. Thirty two representatives from different stakeholder groups attended that meeting. There is another information session scheduled in Adelaide on 5 June, and we have a range of stakeholder groups represented there as well. That is for the south-west.

Senator COLBECK—If you could give me detailed information on that, I would appreciate that.

Ms Petrachenko—We will do that.

Senator COLBECK—And details of the steering groups in those other regions. You might not have them set up yet for the east zone, but I would appreciate that information.

Senator SCULLION—Ms Petrachenko, in terms of the process, as you have already indicated to Senator Colbeck, we will learn from the last series of events we have gone through. The preparation of the maps and those sorts of things may change in recognition of the difficulties that happened on previous occasions. Given that that appears to be the general approach, are you considering changes in your approach in other areas? For example, one of the other great difficulties, of course, is displacement of effort. Acknowledging that there does not appear to be a whole lot of that, it would seem like an ideal opportunity to focus on displaced effort. In other words, when you proclaim the area and go through this next process—assuming that there will not in fact be no proclamations and that it will in fact be

somewhere different—you could actually deal with the displaced effort before you declare the area. As you would be aware, around the world we are all starting to realise the differential between the declaration of a no-go zone and the time it takes to displace the area, including on the Great Barrier Reef in the last round of silliness. That whole period was when there was a negative impact on the environment because it was not displaced until various governments eventually got around to making the effort. From the day of the declaration, the impact of effort on areas adjacent has been significant. I suggest that it is a significant policy failure internationally to not acknowledge some of those things. Would you be considering changes to the timing of those events, not only looking at these particular zones and areas and how they are structured but also having an approach to the whole process? Do you think you will be open to changes in those areas?

Ms Petrachenko—Yes. As I indicated earlier, that is why we are engaged in a process now to develop policy options on how we approach displaced effort and activities. We are very much cognisant of lessons learnt from previous experiences and we will be giving advice to the government and await their decision on the matter.

Senator SCULLION—Regarding this whole philosophy, I heard you say, ‘We’re just concerned about the activities that are currently happening in this area.’ We call it a conservation area, which actually conjures up in many people’s minds who did not actually understand it that there was a threat or a problem with the area. But the idea is to ensure that activities are not extended—is that right?

Ms Petrachenko—That is exactly the intention under the legislation.

Senator SCULLION—What does the Australian Fisheries Management Authority have to say about that? For example, what if we had a discovery of many megatonnes a year of the lesser tufted titfish out in the middle there that we have not discovered yet? Let us face it, on a broad brush, I have just had a look at this and seen seven references such as, ‘Yes, we know there is a canyon that is probably going to have a few new things on it. We have got some down south, but we haven’t got any up here.’ I think you will acknowledge that is a very vague piece of science. You have to acknowledge that no-one has been there. That is what you are saying: ‘No-one has been there and we don’t know what’s there, so we’ve got to be really careful about this.’ What did AFMA have to say about the fact that there are probably not going to be extensions of any new fisheries? Were they concerned about food security for the future? This is such a massive area of our sovereign resources. AFMA were pretty cool with that, were they?

Ms Petrachenko—Again, as I outlined, we have said that existing activities in the conservation zone will continue. In the next year we are assessing what levels of protection are necessary, and the government will make a decision within, hopefully, a year as to whether the conservation zone continues or it changes in a year.

CHAIR—Senator Scullion, before you go on, I was about to give the call to Senator Siewert when you said you had one quick question.

Senator SCULLION—Sorry, I will just get a clarification on that last answer. You said that it is the intention to ensure that none of the existing activity is extended. So the intent that that embraces any potential commercial fisheries sits within the statement that you intend not

to allow the extension or development of any new fisheries or otherwise in the area. Is that right?

Ms Petrachenko—The intention for this period of time that we are assessing is to try to ensure that there is no growth in commercial activities in that area while we are assessing the values.

Senator SCULLION—Thank you.

Senator SIEWERT—I want to revisit the issue that I was asking about last night, around the budget for marine expenditure. Mr Thompson, have you been able to clarify that overnight?

Mr Thompson—I hope I can provide some clarity. Comparing 2007-08 spending to 2008-09 spending, there were decisions taken in 2008-09, and presented in the portfolio additional estimate statements, which indicate an increase for marine spending—and departmental in particular. That was in the form of decisions in November and December 2008 to commit \$32.5 million over six years, including 2008-09, for national and international non-lethal research and conservation initiatives for whales and cetaceans.

That funding will continue, as I said, for over a period of six years, including 2008-09, and some of that funding will fall in 2009-10. We talked about the contribution that came from the former Natural Heritage Trust and in the Caring for Our Country program in that transitional year. In terms of the decision that was taken in the last budget to essentially reclassify some of that funding as departmental rather than administrative, and transparently identify it as going to the department, as it always had done, there are still decisions to be taken in the 2009-10 fiscal year about how much of that funding which now comes to the department as departmental funding will be allocated to the marine division and marine activities.

Senator SIEWERT—What I would really like—and you can take it on notice—is to take out that extra funding for the whaling programs, which we have been through before and look at what the other expenditure is on marine and compare 2008-09 with 2009-10.

Mr Thompson—Okay. We will not be able to give you that answer until we have made a decision about the 2009-10 allocation. I can say that for a 2007-08, 2008-09 comparison, if you take out the whale money, it is pretty much stable for marine.

Senator SIEWERT—I appreciate the constraint. If you could tell me, that would be appreciated.

Mr Thompson—That is all right.

Senator SIEWERT—We have touched on the extra money that has been given to the whaling programs. As I recall from our last discussion, you had named some of the programs that were going to be funded in that expenditure but not all of them. Is my recollection correct?

Ms Petrachenko—Yes, Senator. I will ask Mr McNee to go through that in some detail for you.

Mr McNee—There are two main elements to the whale funding. The first is the support that will be provided to the Australian Marine Mammal Centre over the next six years. That

work is within the existing framework and is a grant type of process generally, although there is a potential for specific proposals to be brought forward on areas of high priority or the like. A number of those have been funded this year. That is the first element.

The second element is the Southern Ocean Research Partnership, which is the major initiative that Australia has produced in the International Whaling Commission (IWC). We have had the first workshop in March, involving a range of countries with around 50 participants. Twelve countries attended: Argentina, Brazil, Chile, Costa Rica, France, Italy, Mexico, New Zealand, South Africa, Uruguay and the USA. That workshop identified a program of work that we would see rolling out. Basically, the aim was to develop an integrated and collaborative non-lethal whale research consortium that would work over the next five years to resolve work in the southern oceans and to understand whales and provide the type of material that the IWC is looking for. There was very strong agreement on the key elements of that plan. There are a number of themes. The first theme is looking at post-exploitation whale populations, the structure, health and status of those populations, which is still a very important part of the work of monitoring recovery of species after whaling. The second theme links it strongly into the changing atmosphere and oceans, so picking up some of those issues of the pressures on ecosystems. There is a very substantial body of work that is rolling out on that. Then there is a series of specific projects. I would like to table a summary of outcomes that goes into considerable detail on that.

Senator SIEWERT—That would be very much appreciated, thank you.

Mr McNee—There is one final element to that \$32 million program, which is the \$3 million that has been set aside for the diplomatic work and the like of bringing that program forward.

Senator SIEWERT—I have a whole series of questions on whales and I am pretty certain Senator Birmingham has too. I would like to come back to that but deal with the rest of marine first, if possible, and I will certainly want to pick up on that \$3 million for the diplomatic work.

Going back to other work, I have some specific questions about a few recovery plans for marine species, but in general I would like to ask questions around expenditure on sharks, turtles, albatross—in other words other marine species besides whales. For a start—and I have touched on this before, I know—is expenditure for the albatross assessment and recovery plan continuing?

Ms Petrachenko—Senator, albatross is the responsibility of the Antarctic division, so I cannot answer that.

Senator SIEWERT—All right, I will put that on notice. I was not sure. I had to be somewhere else yesterday and missed part of the Antarctic. Do you deal with the Great White Shark recovery program?

Ms Petrachenko—Yes, Senator. I cannot give you detailed information for marine species in recovery planning for the upcoming financial year. As Mr Thompson indicated, those decisions have not been made yet.

Senator SIEWERT—Is it likely that you are going to have enough funding for these recovery programs?

Ms Petrachenko—It would be my sincere hope, yes.

Senator SIEWERT—Could you take that as part of the question on notice around marine expenditure. I would like the detail around specific recovery plans? That would be appreciated.

Ms Petrachenko—Thank you.

Senator SIEWERT—On the other issue, I suspect I am going to get the same answer. We have just been through the bioregional planning process and out of that will come, I hope, some declaration of marine reserves. Out of the Caring for Our Country budget there is a substantial amount of money for the terrestrial national reserve system, and I have got a series of questions around the terrestrial NRS after we have completed the marine system. Is there money available for implementation of marine reserves as part of the extensive planning process that the Commonwealth is undertaking?

Ms Petrachenko—The current funding for the bioregional planning process, which includes the identification of marine protected areas, is a lapsing program that ends at the end of the 2009-10 financial year.

Senator SIEWERT—The bioregional planning process.

Ms Petrachenko—That is right.

Senator SIEWERT—The heart of my question is: therefore, then what happens to acquisition and expenditure? I realise that there is a difference between acquisition under the terrestrial NRS and any the marine reserve system. What happens when this program ends at the end of the next financial year?

Ms Petrachenko—We will be going forward to the government with advice on new marine protected areas. Associated with that advice will be the potential costs of their management. The government will make that decision later in the financial year.

Senator SIEWERT—If I understand it correctly, obviously you are in the process of allocating the existing marine money?

Ms Petrachenko—Yes.

Senator SIEWERT—That includes, I presume, allocation for the marine bioregional planning process?

Ms Petrachenko—No, we have separate—

Senator SIEWERT—That is separate.

Ms Petrachenko—That is right.

Senator SIEWERT—So when I get the marine budget, that will be a separate item?

Ms Petrachenko—Yes. My division's budget has the lapsing program funds for bioregional planning that I talked about, and then there is the portion we had previously for the Caring for Our Country transition funding, which covers some of the existing marine protected areas and marine species recovery plans, that sort of thing.

Senator SIEWERT—In any of that funding—so to the end of the next financial year—are there, therefore, no resources available for any marine protected areas or reserves that may or may not be acquired or declared between now and then?

Ms Petrachenko—The current funding for 2009-10, including the funds that Mr Thompson talked about, will cover existing marine protected areas, not any new marine protected areas.

Senator SIEWERT—That is what I am getting to. You have money for the existing ones, but there is no money in this budget for the coming financial year for any further acquisition or management of any new marine protected areas and there is no forward planning or forward allocations?

Ms Petrachenko—The bioregional planning money is funding the identification of the marine protected areas. Then, as I said, we would go forward before a declaration with advice to the government on where new marine protected areas could be identified and the costs associated with their operation.

Senator SIEWERT—Thank you. I cannot ask my other questions around the recovery plans because we are still working on that. You can expect that I will have another series at supplementary estimates. Perhaps we can go on to whales.

CHAIR—Have we finished questions on general marine? Then we can go to whales.

Senator SIEWERT—Thank you. Has Japan notified Australia yet of its whaling proposals for the 2009-10 season?

Ms Petrachenko—Sorry, I did not hear at the beginning.

Senator SIEWERT—Has Japan informed IWC yet of its planning for the 2009-10 season?

Ms Petrachenko—If you are referring to the Southern Ocean—

Senator SIEWERT—Sorry, the Southern Ocean research.

Ms Petrachenko—The so-called research program?

Senator SIEWERT—That is correct.

Ms Petrachenko—No, we have not seen that information yet.

Senator SIEWERT—Do you expect to see that at forthcoming IWC meetings?

Ms Petrachenko—I would hope that we do.

Mr McNee—They have put out a general proposal for JARPA II, which acts as a proposal for what they might do over a number of years, but it is not until we see the permit that we really get any specific detail on what actual activities do occur.

Senator SIEWERT—That is what I understand. That is why I am asking for where they are going to be in the next season. I understand that quite often the public understanding of what is going on can be different to what is actually going on. Is the whaling envoy budgeted to continue?

Ms Petrachenko—Yes. The government has undertaken for the envoy's work to continue. The contract is until September, and a decision will be made post-IWC on what the future program of work is.

Senator SIEWERT—So, there is a budget allocation for the envoy to continue, subject to a valuation, following IWC, is that correct?

Ms Petrachenko—That is correct. Just to be clear on the financial aspect of it, I know it basically comes from existing funds for that period from July to September, so there is no additional funding per se other than the existing funds that we have.

Senator SIEWERT—To September?

Ms Petrachenko—Yes.

Senator SIEWERT—Post-September what is the plan?

Ms Petrachenko—That will be up to the government to decide as it evaluates post-IWC.

Senator SIEWERT—So there is no budget allocation?

Ms Petrachenko—We have the \$3 million.

Senator SIEWERT—That is what I am coming to.

Ms Petrachenko—That is right, which is—

Senator SIEWERT—Other than the \$3 million that has been set aside from the \$32.5 million, there is no further budget allocation; it would have to come out that have \$3 million grant money.

Mr McNee—Senator, there are two other alternatives. Departments could in essence absorb those costs. The envoy will be extended to September. Certainly in our department we will absorb those costs to September. There is also the additional estimates process as well. Once we evaluate the outcome of IWC/61 and determine what the best approach is, the government may take the opportunity to come back through its additional estimates.

Senator SIEWERT—I will come back to the \$3 million in a minute. Would any additional money that the department would absorb come out of the marine budget, which already seems to me to be rather stretched?

Mr Thompson—That would essentially be up to the secretary in terms of the overall budget of the department.

Senator SIEWERT—When you give me the answer on notice to the marine budget, will there be a notional allocation for that or will that exclude any further potential funding for the envoy?

Mr Thompson—I cannot answer that definitively but I can undertake to try and identify whether there is money coming from that budget for the envoy.

Senator SIEWERT—That would be appreciated. Which year is the \$3 million that has been allocated out of the \$32.5 million over six years coming out of? Is it over the whole of the six years or is it up front?

Mr McNee—Yes, Senator, the \$3 million is spread over the six years and it has a number of elements to it. It certainly supports the work of both DFAT and this agency in terms of cetacean policy, both domestic and international. It also will support the comprehensive assessment of the scientific credibility of the JARPA II program, which is expected later this year.

Senator SIEWERT—Sorry, did you say that you are going to carry out an assessment of JARPA II?

Mr McNee—Yes, we have made the observation that there has been a lot of criticism of JARPA II from a variety of sources, but that has never been consolidated in a single area. We thought there was value in bringing that together.

Senator SIEWERT—How much will that be and who is doing it and in what timeframe?

Mr McNee—I do not have the specific detail. It is not a huge amount. I think it is under \$100,000, but it is being led by the scientific support that we get through the Antarctic division. They will be leading it and, I suspect, getting particular experts to comment in particular areas.

Senator SIEWERT—The Antarctic division will lead that assessment?

Mr McNee—Yes.

Senator SIEWERT—When is it being carried out?

Mr McNee—It is in process now. We hope to have it prior to the end of the year.

Senator SIEWERT—Prior to IWC?

Mr McNee—No, prior to the end of the calendar year, I am sorry. Regarding the other elements, the government put forward a proposal in relation to conservation management plans within the IWC, trying to promote a greater focus on cetaceans which had an adverse conservation status. Some of the money will be used to drive the policy work on that in the IWC and also to support activities in particular regional areas. A particular area of our interest is what is happening with humpback whales in the Central Pacific area. We would like to see some work done to promote recovery of them. There appears to be a population of humpback whales that do not appear to have recovered in the same way as the Western Australian and eastern Australian coastlines have. The \$3 million also supports our ongoing activities in terms of the reform process of the IWC and has supported our participation in a number of the working groups.

Senator SIEWERT—It seems that you are doing a lot of things with \$3 million, particularly if it is being spent over six years. Is it being divided evenly, half a million a year for the six years?

Mr McNee—I do not actually have that breakdown with me. I could get back to you. It is not the only money that we receive. In fact, we already have other departmental resources that are allocated to us in that sense.

Senator SIEWERT—The things that you have just listed are not all coming out of the \$3 million?

Mr McNee—No, that is not the complete budget for the cetacean area. As we have just heard, the forward budget is dependent on a number of other decisions. But we do have other funds.

Senator SIEWERT—When you say it supports the diplomatic activities of DFAT and the department, does that mean that the element of the work that is being done by DFAT and the department internationally is being funded out of that \$3 million? Is that a correct understanding?

Mr McNee—Yes. It has been funded out of the \$3 million. Also, some of the money that was put forward in the previous budget for the envoy also provided funds to both DFAT and us to support the envoy.

Senator SIEWERT—If the decision was made in the future to do any further monitoring, as was done the season before last, what pot of money would that come out of under the budget now?

Ms Petrachenko—That would be a decision for the government to make. We do not have any funding currently in our program budget for that, Senator.

Senator SIEWERT—That is why I was asking. I recollect that that was the case in fact in the 2007-08 season. That ended up being a separate allocation of money to the department.

Mr McNee—That is right. That ended up coming through the additional estimates process.

Senator SIEWERT—But there is none at the moment?

Mr McNee—No.

Senator SIEWERT—In terms of where we are up to now at IWC in the small working group, could you just update us to where that process is up to now?

Ms Petrachenko—I can, Senator. The small working group had a number of meetings in the last year, and there was also a full intersessional meeting of the IWC in Rome—that is, the full commission—to look at the work that the small working group had done. The chair of the small working group and the chair of the commission have prepared a report. That was released on the web on 18 May. That is a report that is going to be considered at the IWC in Madeira in June.

Senator SIEWERT—Where is Australia up to as far as participation in that small working group? Are we still participating?

Ms Petrachenko—The remit for the small working group is that it had its mandate until the meeting in Madeira, and so a decision will be made in Madeira as to any future process or what the next steps are.

Senator SIEWERT—Do I interpret that to mean the small working group is not active any further until then?

Ms Petrachenko—That is correct, until Madeira. The schedule of meetings for the commission is spread over two weeks, and there is about a day in the schedule being devoted for the commission members—not the small working group, but the broad commission—to meet to discuss the future process regarding the IWC.

Senator SIEWERT—Thank you.

Senator BIRMINGHAM—Senator Siewert has canvassed some issues, but I will try to clarify. In terms of whaling surveillance, firstly, just so that we are totally clear, in the 2008-09 financial year that is coming to an end has anything been expended on whaling surveillance?

Ms Petrachenko—No, Senator.

Senator BIRMINGHAM—For the 2009-10 financial year that is coming up, you said to Senator Siewert that nothing is currently in program budget for monitoring?

Ms Petrachenko—That is correct.

Senator BIRMINGHAM—So the last lot of whaling surveillance was the first and only lot in 2007-08?

Ms Petrachenko—That is correct.

Senator BIRMINGHAM—Has anything further been done with the footage and photos collected from that 2007-08 surveillance?

Ms Petrachenko—That information is there. I think as we responded previously to the committee, it was there potentially to be used in a court case, and it is still there for that purpose.

Senator BIRMINGHAM—Who holds the footage and photos?

Mr McNee—The material is held by our department. In fact, there is currently scientific assessment of the material going on. Our department holds the material.

Senator BIRMINGHAM—Your department holds the material. Aside from the fact that we saw, I think, a couple of photos and some footage on Channel 9 news, none of it has otherwise been publicly released?

Mr McNee—No, that is correct.

Senator BIRMINGHAM—Is it the intention of the department that it continues to remain secret and used for whatever scientific evaluation you currently have being undertaken?

Mr McNee—Pending a decision by the government in relation to legal action, yes.

Senator BIRMINGHAM—Okay. Let us hop across to legal action briefly. Is there anything in the budget this year for legal action in either the International Criminal Court or the International Tribunal for the Law of the Sea, or anywhere else for that matter related to whaling?

Ms Petrachenko—There are no funds in my budget or my division for that, Senator.

Senator BIRMINGHAM—Presumably the department of environment, with responsibility for whaling, would be aware if the government were funding legal action on whaling in any other way, especially seeing as you are the ones who have, theoretically, the only evidence that has been collected. You are not aware of any funding anywhere else, are you?

Ms Petrachenko—No, I am not.

Senator BIRMINGHAM—So, we have got no funding for the surveillance that was much vaunted when the government came to office and no funding for the legal action that was much vaunted when the government came to office. As good officers of the department, your response, of course, is that all of those matters are decisions for government but we are quite clear there is absolutely no funding in the budget for either of these items? That has been established anyway.

On the whaling envoy—the on-again, off-again, on-again, off-again process of the whaling envoy that took so long to establish whether or not it was Mr Hollway, after leaks that said it was and denials that it was not and so on—when we last met on 24 February I think there were nine days or thereabouts to go on Mr Hollway’s contract and at that stage the government had not made a decision as to whether to re-appoint Mr Hollway. When was the decision to re-appoint made?

Ms Petrachenko—I will have to take that on notice, Senator. I do not seem to have the exact date that the contract was amended.

Senator BIRMINGHAM—When does the contract expire?

Ms Petrachenko—The contract is currently being administered by the Department of Foreign Affairs and Trade. My understanding is that it will go until the end of September and, as I indicated to Senator Siewert, a decision will be made by government post-IWC as to future diplomatic activities.

Senator BIRMINGHAM—Mr Hollway was first appointed on 20 October 2008. That is an answer you have given to us previously, I think, Ms Petrachenko—correct me if that is wrong. That will go until about the end of September, so we will have had approximately 11 months of the whaling envoy.

Mr McNee—Can I just clarify, Senator, that the contract that he is currently operating on goes to 30 June and the government has indicated that it is going to extend that until September.

Senator BIRMINGHAM—So the option on the original contract concludes on 30 June, and the advice you are giving us is that the contract is now under further negotiation for further extension until the end of September. Remind me, is Mr Hollway paid on an hourly rate or a daily rate?

Mr McNee—Mr Hollway is paid on a daily rate.

Senator BIRMINGHAM—And what is the daily rate?

Mr McNee—I think the daily rate is \$1,800.

Senator BIRMINGHAM—That was not varied from the extension of the first contract through to 30 June, was it?

Mr McNee—No.

Senator BIRMINGHAM—Is it likely to be varied in the extension to the end of September?

Mr McNee—No.

Senator BIRMINGHAM—So, it will remain at \$1,800 per day. Does that daily rate include Mr Hollway's time on planes and other activities? How is the daily rate calculated?

Mr McNee—Generally not. It is the working time, although I would have to look at the breakdown of the actual specific invoices that have been put forward to clarify that. It certainly does not include all of the travel time that he has undertaken.

Senator BIRMINGHAM—How many days has Mr Hollway claimed to date of his \$1,800 per day stipend?

Mr McNee—I do not have the specific days that have been claimed, but I do have the total amount that has been claimed as of 26 May.

Senator BIRMINGHAM—The total amount as at 26 May?

Mr McNee—Mr Hollway has had fees of \$79,200.

Senator BIRMINGHAM—You cannot tell us how many days that is?

Mr McNee—I do not have that breakdown here with me, but I can on notice obviously.

Senator BIRMINGHAM—But we are essentially looking at 40-odd days?

Mr McNee—Around that.

Senator BIRMINGHAM—Forty-odd days for the \$79,200. We got some information on notice relating to Mr Hollway's travels, where he has been. I appreciate that. Before I go through that and further travel I have one point of clarification. Mr Hollway's initial travels and meetings, from 5 to 12 October 2008 in Japan and the United States, appear to pre-date Mr Hollway's appointment, according to the advice that you have given me previously. Mr Hollway's contract was signed on 20 October and he was off in the job between the 5th and the 12th. Can you explain that anomaly to me?

Ms Petrachenko—Senator, I can take it on notice to double check, but the information I have in front of me says that his contract was signed on 5 October and that his travel took place from the 5th to the 10th to Tokyo and Washington.

Senator BIRMINGHAM—Indeed, Ms Petrachenko, I apologise. It appears Mr Hollway's appointment was announced on 20 October. He was obviously off in the air from the moment his contract was signed, which was very convenient, given how hard it was to get confirmation that he had been appointed. And I am sure he had some warning that he was in the job before hopping on the plane on the day his contract was signed, nonetheless. Mr Hollway and a DEWHA official travelled to the United States at a cost of \$6,119.14 and then to Japan at a cost of \$8,485.26. Just to be certain here, do these figures relate to both Mr Hollway's expenses and the official's?

Mr McNee—I think you are talking in relation to question on notice No. 129?

Senator BIRMINGHAM—That is correct.

Mr McNee—I think these costs are for the DEWHA official's travel.

Senator BIRMINGHAM—I thought that might be the case the way the answer was worded. We had better go back to the beginning then as to what the costs of Mr Hollway were for these trips.

Mr McNee—Yes. I have a total figure for you. Before, I just mentioned that fees to 26 May were \$79,200. His travel costs, for the travel that is detailed in question 129 and the visit that followed, were \$80,676.97.

Senator BIRMINGHAM—\$80,676.97, correct?

Mr McNee—Yes, making a total of \$159,876 in costs for both Mr Hollway's fees and his travel.

Senator BIRMINGHAM—So that \$80,676 relates to: Japan and the United States in October 2008, Japan again in October 2008, New Zealand in January 2009, and Africa, Europe and Japan in February and March 2009, which included South Africa, Kenya, the UK, Germany, the Czech Republic and Portugal, Sweden and Japan. Anything else?

Mr McNee—And there has been one visit subsequent to the response to that question to the US, to Washington, and it is my understanding that that does include that, although there may be final acquittals required on the visit to Washington.

Senator BIRMINGHAM—When was that trip to the US undertaken?

Mr McNee—That was undertaken in early May.

Senator BIRMINGHAM—Do you have exact dates there?

Mr McNee—I do not exactly; I am sorry.

Senator BIRMINGHAM—And I assume that again a DEWHA official accompanied Mr Hollway?

Mr McNee—Yes, that is correct.

Senator BIRMINGHAM—Do we have a total for Mr Hollway's and the DEWHA official's travels?

Mr McNee—Yes. I have a total cost which includes travel and fees incurred by the envoy and the cost relating to officers accompanying the envoy, from both DFAT and DEWHA. That total cost is \$309,106.36.

Senator BIRMINGHAM—\$309,106.36?

Mr McNee—Yes. As I said, I think there may be some final acquittal, but at this stage that is the expenditure as at 26 May 2009.

Senator BIRMINGHAM—That made short work of the \$300,000 extra the government gave the department for the whaling envoy project in 2008-09, did it not? That is just the travel costs. They did not actually pay a cent in fees or other costs.

Mr McNee—Sorry. The figure I just named there was the total for Mr Hollway's fees, Mr Hollway's travel and the associated travel of DFAT and DEWHA officials.

Senator BIRMINGHAM—Excellent. That makes it so much better then. The \$309,106.36 is two lots of travel and Mr Hollway's fees. Does Mr Hollway have any other whaling envoy related travel planned for this financial year?

Mr McNee—Not at this stage.

Senator BIRMINGHAM—Approximately how many days has Mr Hollway spent overseas?

Mr McNee—I would have to take that on notice to be accurate.

Senator BIRMINGHAM—I am guessing, looking at it, but if 48 days have been paid for then he has probably been on the road 48 days, by the looks of the extent of the travel.

Mr McNee—That is what I would like to check, because it could well be longer.

Senator BIRMINGHAM—Thank you. In terms of Mr Hollway's involvement in the upcoming IWC meeting, I assume he will be attending.

Ms Petrachenko—Sorry?

Senator BIRMINGHAM—I assume Mr Hollway will be attending the next IWC meeting.

Ms Petrachenko—It is in June this financial year. As Mr McNee indicated, there is no need for further travel plans for Mr Hollway. He will not be, at this point, attending in Madeira.

Senator BIRMINGHAM—So we have spent more than \$300,000 on a whaling envoy since October last year and we are now not sending him to the one big annual meeting of the year for the International Whaling Commission? We have flown him around the world multiple times and we are not going to send him to the whaling commission. What on earth is the logic behind that, Minister? Somebody?

Ms Petrachenko—The minister is attending the IWC at Madeira.

Senator BIRMINGHAM—The minister went last year. He took 15 people and that cost more than \$330,000. I would rather send Mr Hollway. At least he can do multiple trips for a couple of hundred thousand.

Senator Carr—Senator Birmingham, you will not be sending anyone. The government has asked Mr Hollway to do a particular job of work. The minister will be attending the conference and will be representing the government's interests at that conference.

Senator BIRMINGHAM—How many people will be attending with the minister?

Senator Carr—I have no idea how many will be attending the conference with the minister, but the important thing is the minister is attending the conference.

Senator BIRMINGHAM—Perhaps one of the officers at the table might have some idea, Senator Carr.

Senator Carr—I do not know. Certainly his plans would have been established.

Ms Petrachenko—I would like to just clarify a couple of things, Senator. The IWC is not just a two-day meeting. Right now, for example, this year, the scientific committee is starting its deliberation on Monday in Madeira, so the actual commission and the committee meetings go over an extended period of time. We have the scientific committee that meets; the conservation committee, an infractions committee; a committee on Aboriginal subsistence hunting; the animal welfare committee; a finance and administration committee; a budgetary subcommittee; a commissioners' meeting on the future of the IWC; and then we have a week of plenaries. When you refer, as you did previously, to the cost of IWC meetings, the cost

covers the science meetings and the 15 officials, who you referenced, participating in a number of those meetings over a period of time.

Senator BIRMINGHAM—That explains some of the people who are there, and I recognise that. That is fine. Thank you, Ms Petrachenko. We can expect as a result of the range of committees and processes that are happening at this time that there will be another largish delegation of about 15 people who will be there again with the minister this time. Is the IWC in June?

Ms Petrachenko—Yes, it is. A decision on the composition of the delegation, aside from the scientific committee, has yet to be finalised.

Senator BIRMINGHAM—The scientific committee just being one of the numerous committees you mentioned, how many people are going to the scientific committee?

Ms Petrachenko—Four scientists.

Senator BIRMINGHAM—I know there are four scientists for the scientific committee and then we will see how many others. When in exactly in June?

Ms Petrachenko—The scientific committee commences next week. I believe the other committees start on 14 June.

Senator BIRMINGHAM—Which component of the IWC is it that the minister will be attending?

Ms Petrachenko—I can say that last year he attended the full week of commission meetings. I am not sure of his schedule for the upcoming IWC.

Senator BIRMINGHAM—Does the commission commence on 14 June?

Mr McNee—The meetings of subcommittees are meetings of the commission, but actually the plenary session of the commission occurs in the last week.

Senator BIRMINGHAM—We are only a couple of weeks away and we have not finalised quite who is going with the minister. Will the minister be attending the full week again this year?

Ms Petrachenko—I am not aware of the final details of his schedule.

Senator BIRMINGHAM—Mr Hollway has visited—I will not tally them all up—certainly a dozen countries at rough guess in his time. Surely Mr Hollway is better placed now in terms of connections and knowledge about the other countries involved in whaling than the minister. What meetings has the minister held with other countries on whaling issues since last year's IWC?

Ms Petrachenko—I will have to take that on notice, as the minister has met numerous times with various countries concerning whaling issues. I will have to take that on notice.

Senator BIRMINGHAM—Has the minister travelled to any other IWC member countries since the last IWC?

Ms Petrachenko—I will have to take that notice as well.

Senator BIRMINGHAM—My recollection is that the minister had two overseas trips last year.

Mr Thompson—Yes, my understanding is that the minister has travelled to some of these countries. We are actually still pulling together the response to a question on notice from the last estimates about his international travel in the period leading up to—

Senator BIRMINGHAM—Actually I did notice that. I think that was question on notice No. 211—

Mr Thompson—That is right.

Senator BIRMINGHAM—which I went looking for this morning and discovered that I could not find, Mr Thompson. I thought I had passed the opportunity for general questions.

Mr Thompson—I have lead with my chin, Senator.

Senator BIRMINGHAM—You have. Thank you very much, Mr Thompson.

Mr Thompson—It was one of three outstanding questions I think and we received over 340 questions on notice at the last meeting.

Senator BIRMINGHAM—I know. We got a little carried away after last estimates.

Mr Thompson—I agree.

Senator BIRMINGHAM—I appreciate all the work that went into responding to them but I was surprised that the minister's travel was one question that you did not manage to respond to. Now that we have seen Mr Hollway's travel maybe that helps to explain it. In terms of the IWC meeting and the lead up to it, has Australia hosted an international workshop on non-lethal whale research this year?

Ms Petrachenko—Yes. Mr McNee referenced that in this response to Senator Siewert. It was in Sydney in March.

Senator BIRMINGHAM—Which countries had representation there?

Mr McNee—The participants came from Australia, Argentina, Brazil, Chile, Costa Rica, France, Italy, Mexico, New Zealand, South Africa, Uruguay and the US. There were scientists from some countries but also representatives from the governments of some countries.

Senator BIRMINGHAM—Would they all mostly be described as the usual block of anti-whaling countries?

Mr McNee—Not necessarily. There are a number of very strong pro-conservation countries there but equally there are also some countries, particularly South Africa and some from Latin America, who, whilst supportive of elements, you would not describe as completely strongly anti whaling. I think they have a broader position.

Senator BIRMINGHAM—So we may have some swinging countries?

Mr McNee—I think they can be broadly described as countries with an interest in the Southern Ocean actually. That is probably the best way to define that group of countries.

Senator BIRMINGHAM—What tangibles do we have to show for Mr Hollway's time as whaling envoy thus far?

Ms Petrachenko—His work needs to be taken in the context of the government's overall increased diplomatic and multilateral efforts. It is part of—

Senator BIRMINGHAM—We do not have too much to show for that, it does not seem.

Ms Petrachenko—I beg to differ. We have a very large reform agenda for the IWC. We have tabled those papers, I believe, before this committee previously. We have, through our efforts over the last year in the small working group, the efforts of the special envoy, the efforts of the minister, as well as the efforts through Foreign Affairs and our posts in various countries who have raised these issues, been furthering this reform agenda and the Southern Ocean Research Partnership is part of it. It is about non-lethal research. We have come up with a number of items which we will be discussing at the IWC on the conservation mandate. We have, I believe, had strength and support from other countries over the last year for the direction that Australia is taking.

Senator BIRMINGHAM—Will any of those reforms actually impact on Japanese whaling in the Southern Ocean?

Ms Petrachenko—That is our objective.

Senator BIRMINGHAM—I realise that is the objective, but do any of the proposed reforms to the IWC get to the nub of it?

Ms Petrachenko—Yes, definitely. Our proposals are to have an end to scientific whaling and what we are doing through the reform process is building support from other countries for that position.

Senator BIRMINGHAM—I understand our proposal is for an end to scientific whaling; it has been our proposal at the IWC for a long time, I would have thought. All governments have been fairly spectacularly unsuccessful in that achievement and I am not going to say anything to the contrary on that. But, this government has escalated discussion of whaling to new heights, promised a lot and waged a war on whaling in the months immediately after it was elected. It promised, of course, that we were going to have all of this surveillance which would provide all of this evidence which would take us through to the International Court of Justice and International Criminal Court, that we would be stopping Japan's whaling point dead, that the whaling envoy would be actually achieving something towards that end of stopping Japan's whaling. Instead, we have had essentially a whole lot of blubber, if you will pardon the pun, come out of the whaling policies thus far, a lot of talk.

Senator Carr—Do you have a question, Senator?

Senator BIRMINGHAM—Yes, certainly, we will get to the question, do not worry. We have established though that you funded whaling surveillance for one year and then gave up, and the evidence is sitting on a shelf somewhere. You funded nothing for court action ever, and the whaling envoy has been a \$300,000-plus activity visiting 13 countries but now you are not sending him to the main No. 1 meeting held this year of the International Whaling Commission. Instead, the minister is going rather than the whaling envoy on whom he spent more than \$300,000.

Senator Carr—What is your question, Senator?

Senator BIRMINGHAM—What I am really trying to get to the nub of here, Minister, is: is there a concrete proposal for change of the IWC that we have spent all of these hundreds of thousands of dollars trying to achieve that might actually save a whale?

Ms Petrachenko—Yes.

Senator BIRMINGHAM—Can you take me to it somewhere? Can you point to something that actually shows me where it is progressing the IWC rather than just reforming? It is one thing to reform a body; will the outcomes actually change or in the end will Japan and those other whaling countries which we politically seemed to have decided to ignore for whatever reason actually manage to continue to simply circumvent the system as they do already?

Ms Petrachenko—As I indicated to Senator Siewert, we are in a process that started last year. I can outline some key aspects of the reform agenda. The convention under which the IWC operates is an exceedingly old, outdated convention. It is from circa 1946. Even the countries have changed dramatically. The signatories have new names, it is so long ago. In 1946 that convention was set up when the whaling industry was very big and was causing all kinds of problems. Its objectives are outdated. Conservation is mentioned in the convention but it does not have, for example, the norms of international practice for conservation based conventions which exist today, which are ecosystem based management and precaution. All of those sorts of things are nowhere to be seen in that convention. We have been looking at how we can modernise the operation of the International Whaling Commission, having it focus on conservation with a committee that develops conservation management plans that look at restoring and recovering whale populations throughout the world, because there are still numerous whale stocks that are severely depleted. The minister tabled last year at the IWC a status report of global whale populations. We will be finalising and tabling at the IWC this year the overall approach to that. That is a document that shows we need to take conservation action.

We have a proposal that has been endorsed now by the IWC to develop conservation management plans. That is something new. It has never happened before. As Mr McNee mentioned, we will be developing these conservation management plans. We are also working with other countries on guidelines for whale watching and building sustainable whale-watching industries, which is key to a number of developing countries around the world. Those are just a few things we can point to. Mr McNee has already talked about the Southern Ocean Research Partnership for non-lethal research. Also, changes to procedures of the IWC were agreed to at the intercessional in Rome. We are trying to make the commission more functional and focused on the conservation of whales. Working to negotiate in a multilateral sense with 84 or 85 countries is a process that does take some time.

Senator BIRMINGHAM—Are all of these changes items that Mr Hollway has been discussing with officials from other countries during his travels?

Ms Petrachenko—Mr Hollway is one piece of this very broad agenda. This is a multilateral process that has been done under the auspices of the IWC on the science side and on the conservation side in a lot of detail. Mr Hollway has focused his efforts on key countries where they are trying to influence the very senior levels of those governments in terms of support for new directions.

Senator BIRMINGHAM—Why isn't Mr Hollway going to the IWC?

Ms Petrachenko—Again, the IWC, as I outlined before, is very specialised in terms of the scientific committee and the numerous committees that are there. We send our internal experts. I go as—

Senator BIRMINGHAM—Last time I checked, Minister Garrett was not a whaling scientist.

Ms Petrachenko—I was talking about those detailed committees like the scientific committee. The minister will be attending, as I indicated earlier, to the commission.

Senator BIRMINGHAM—Fabulous. Why isn't Minister Hollway attending? Mr Hollway, I mean—he would probably make a better minister than Minister Garrett.

Senator Carr—Senator, we can go around in circles on this. You have been advised that the minister himself is attending. You have been advised that—

Senator BIRMINGHAM—Okay, let us try it a different way. Can you tell me, Senator Carr, why Minister Garrett will add more value at the IWC meeting than Mr Hollway?

Senator Carr—You asked a question; at least have the courtesy of waiting for a reply. The officers have indicated to you the role that Mr Hollway has performed. They have indicated to you on repeated occasions now the role that the minister has performed. The officers have also pointed out to you in quite considerable detail the breadth of the government's strategy and the government's approach to these issues. That stands in very sharp contrast, Senator, to the performance of your government, which saw the doubling of whales taken. Your strategy was to come up with a wristband. That is what it amounted to: a wristband. So I do not think you can sit here in your piety—

Senator BIRMINGHAM—I am not sure that you have that much more to show for it, Senator Carr, and a whole lot more money has been spent, which seems to be a trend of this government.

Senator Carr—trying to pretend that you are concerned about this matter.

Senator COLBECK—You promised to take them to court.

Senator BIRMINGHAM—You do not have much more to show for it than a whole lot of money spent.

Senator Carr—What, than a wristband?

Senator BIRMINGHAM—Senator Colbeck is dead right. You promised to take them to court and you have not. You promised to gather lots of evidence. The evidence, if it actually exists and is valuable, has never been seen and apparently there are no plans for it to be seen. There are not a lot of obvious core deliverables that this government has achieved to save any whales. I accept Ms Petrachenko and others are working very hard to reform the IWC. We will see in the long term whether that provides any benefits or outcomes or, indeed, is achievable. Obviously, Mr Hollway, having had more than \$300,000 spent on his employment and his travel and his travel companion, is presumably pretty integral to these matters. I have not received any satisfactory information as to why Mr Hollway is not of value to attend the IWC and why Minister Garrett is of greater value than Mr Hollway in attending the IWC if it comes down to the number of places. Minister, could you tell me that?

Senator Carr—You have chosen to put a number of editorial comments to the committee. You have a serious of opinions you are asserting. The officers have sought to answer your question. They have answered it fully and frankly. If you have a political statement to make, wait for the chamber—you will have plenty of opportunity. That is not the place for this committee.

Senator BIRMINGHAM—Minister, point blank, why isn't Mr Hollway going to the IWC? Why did we send him to 13 countries and not the International Whaling Commission's one big annual meeting?

Senator Carr—You have had an answer to that question on repeated occasions. I have nothing further to add than what the officers have told you.

Senator BIRMINGHAM—No. We have had lots of valuable information—

Senator LUNDY—You have worked it to death, Senator Birmingham. You can let it go now—it is over.

Senator BIRMINGHAM—Thank you for the gratuitous advice, Senator Lundy. We have had plenty of valuable information and I appreciate the officials working through that information with us. But we have received no clear answer as to why the government's whaling envoy is, for one week of the year, being locked up at home when, for the rest of the year, he seems to be able to travel quite freely and liberally at the taxpayers' expense. Why is it that, when we have the one major meeting of the International Whaling Commission, he does not get to go?

CHAIR—Can we have one more attempt to answer this question and then we will move on from whaling.

Senator Carr—The minister is attending the conference representing the government's position. There are a range of other meetings associated with the conference at which experts will be present. That is what you have been told repeatedly.

Senator BIRMINGHAM—What will Mr Hollway's role be between the end of June and the end of September?

Ms Petrachenko—That will be for the government to decide post-Madeira.

Senator BIRMINGHAM—But we are negotiating it now. Presumably, if we are negotiating an extension to his contract now, the government has some idea of what his role will be.

Ms Petrachenko—It is an extension of the end date of his existing contract. Post-Madeira, the government will assess how things went at the IWC and make a decision on a future course of action.

Senator BIRMINGHAM—Will Mr Hollway be travelling to meet with other IWC nations in the time between the end of June and the end of September?

Ms Petrachenko—There is no current plan at this point.

Senator BIRMINGHAM—We will wait and see what Mr Hollway does during that time. Thank you, Ms Petrachenko, for your information.

CHAIR—Are we done with whaling?

Senator SIEWERT—I have got two more questions. It is extremely complicated reading the various reports out of the IWC meetings. One would think they are written to confuse. As I understand it, one of the three things agreed was to request the scientific committee to provide a draft of a work plan to assess Japan's coastal whaling. Is that correct?

Ms Petrachenko—Almost. I just want to be really clear on this point. Because Japan has talked about a proposal for small-type coastal whaling, a number of countries have said, 'We're not even talking about that until there is some scientific analysis of it. We haven't seen a proposal in any detail.' The scientific committee has a huge workload, as I indicated. It meets for three to four weeks, depending. We are worried about any additional work that may in the future be requested. They have been asked that when they meet in Madeira, in the hypothetical situation that there was a proposal or would be a proposal for small-type coastal whaling, to look at how much work it would be to assess such a proposal.

Senator SIEWERT—Did Australia agree to that, in the working group?

Ms Petrachenko—We agreed that they should identify the impact of the work on their workload, yes.

Senator SIEWERT—What about the North Pacific common minke whale?

Ms Petrachenko—Sorry?

Senator SIEWERT—Has the scientific committee been asked to look at an assessment of the North Pacific common minke whales as well?

Ms Petrachenko—Not through the small working group process, no.

Mr McNee—If you are talking about what is called the J stock of minke whales, that is a stock that is considered to have an adverse conservation status and about which there has been a lot of focus in the scientific committee. In fact, this has been one of the concerns that we have consistently put back to Japan as it has talked about its idea of bringing forward a proposal. We have a number of concerns, and impact on J stock is one of them. Where a policy decision is taken within the IWC whether or not to proceed with further assessment, that would certainly be something we would like to see a comprehensive assessment on, because it is critical.

Senator SIEWERT—Thank you.

CHAIR—As there are no further questions on whaling then we will move on to the EPBC Act.

Ms Petrachenko—Before leaving, so I have to respond to maybe one fewer question on notice, I do have some information for Senators Macdonald and Boswell. They asked whether Pew had been invited to be part of the stakeholder advisory group. No, they have not; WWF has been invited to take part in that group.

CHAIR—Thank you, Ms Petrachenko, for that information.

Senator BACK—Thank you, Chair. With regard to the Environmental Protection and Biodiversity Conservation Act 1999, I would like to refer to and seek some information on a

nomination from the department regarding contemporary fire practices, which I understand came to the department and has been referred on. Is that the case? Then I could move on.

Mr Burnett—That is not quite accurate, Senator. Please interrupt me if I am telling you things you already know. We have a committee under the EPBC Act called the Threatened Species Scientific Committee, the purpose of which is provide expert scientific advice to the minister. That committee has an annual work program which is signed off by the minister called the finalised priority assessment list, or FPAL. Most of that list is about assessing and providing advice on species or ecological communities that are being considered for listing under the act. The committee also looks at nominations for what are called ‘key threatening processes’. One of those key threatening processes on the current list is as follows: ‘Contemporary fire regimes resulting in the loss of vegetation heterogeneity and biodiversity throughout Australia’.

Senator BACK—Thank you. That is the area in which I seek the information. Could you tell us what the origin or the genesis of the actual commission was? How did it come about in the first place? For what reason has the committee been asked to examine this area?

Mr Burnett—There is a public nomination process; annually, it is thrown open to public nominations. There was a nomination that was narrower in scope to that nomination. Once the committee considered it, they recommended to the minister that it be broadened in scope and he agreed. Those words that I read out to you were the ultimate—

Senator BACK—It had its origin in northern Australia, I think.

Mr Burnett—Yes, that is right.

Senator BACK—Then it was extended throughout Australia. Can you explain why that decision was taken?

Mr Burnett—Only in the broad, Senator. Obviously, this committee is a committee of scientists and they have detailed discussions, but I understand in the broad that they felt that the issue was of relevance to the whole continent.

Senator BACK—For an inquiry of such importance, would the person seeking to have it examined be a person of some status? Could I drive through northern Australia, express a concern and refer it to the department, and would it be likely to be referred to such an august committee?

Mr Burnett—Any person can make a nomination as part of this annual process.

Senator BACK—Could you tell me what the current status of the study is? Where is the Threatened Species Scientific Committee with this particular study?

Mr Burnett—In general terms, they have commenced work on it. They have not yet gone into what you might call the meaty stage involving public consultation and consultation with experts. It is due for submission to the minister in September 2010. I suppose you would say they were in the relatively early stages of examining this item.

Senator BACK—Can you tell me who members of the committee are? Is that information available?

Mr Burnett—Ms Smith may have information. There are about 10 of them, Senator; I cannot remember all their names.

Senator BACK—Perhaps I could take it on notice. Could I more particularly ask: would there be anybody on the committee who would be internationally or nationally recognised for having land management or, particularly, fire management skills?

Ms Smith—The committee members are all experts in various fields. Across the membership of the committee they have some expertise in these areas. Some of the members of the committee have been heavily involved in fire issues over their time.

Senator BACK—Would it be possible, if not here, to take on notice which of those committee members would be recognised by their peers for having expertise or skills in this area?

Ms Smith—Yes, but the process is, as Mr Burnett outlined, that the committee always goes out to expert consultation. They do not have to be experts in every field. They are experts in a number of fields. I do not know whether any of them would claim to be experts in fire, but, as I said, some of them have backgrounds in that.

Senator BACK—By going out to consultation, am I to understand that you would seek the paid services of consultants?

Ms Smith—That is possible, if the committee so desires. Normally they consult experts and usually experts are happy to provide information without being paid.

Senator BACK—Would there be special budgetary provision for the inquiry itself and, included in that, for payment of consultants if they were deemed necessary?

Ms Smith—There is a budget for the committee's operations in general.

Senator BACK—Presumably it would have to be in the coming financial year if it is reporting by September 2010. Has there been an allocation of budget for this particular project?

Mr Burnett—Not specifically for that item. As Ms Smith said, there is a general budget allocation for supporting the committee and its work. They have quite a number of items on their agenda at any one time, and it is just a single amount within our divisional budget.

Senator BACK—In fact, it would just be consumed within your existing budget; there would not be a provision?

Mr Burnett—That is correct. I should clarify, Senator, you are using the word 'inquiry'. It is not a formal inquiry like a royal commission or something, with sittings, evidence and so on; it is a committee accepting submissions and running a public consultation process. It is not that kind of super-expensive inquiry that the word 'inquiry' might imply.

Senator BACK—Thank you for that. I guess that leads me to my next question. Not predicting what the possible outcome might be, but can you tell me what is the end point of these committee's examinations? What happens to them?

Mr Burnett—The end point is advice to the minister. In this case, the question would be: 'Should the minister list the contemporary fire regimes et cetera as a key threatening process under the EPBC Act?' If the minister were to do so, he is then required to consider whether to

initiate the preparation of a threat abatement plan. A threat abatement plan is a plan that sets out research and other activities. In fact, I will quote:

... the research, management and other actions necessary to reduce the key threatening process concerned to an acceptable level in order to maximise the chances of the long-term survival in nature of native species and ecological communities affected by the process.

Should the minister decide to list it as a key threatening process, he has then has to decide whether to have a threat abatement plan. If he were to take such a decision, that is what the plan is about. It is a process under the EPBC Act.

Senator BACK—It is a process that may or may not lead to recommendations?

Mr Burnett—That is right.

Senator BACK—The reason I raise these questions is that, in an industry that I represent and have had quite a degree of involvement, there is a high degree of concern, the reasons being several-fold. The first area of concern is that fire managers throughout Australia would really regard that they already have a huge amount of information on this whole area. The second area of concern would be that contemporary fire regimes presumably would be referring to prescribed burning resulting in loss of vegetation, heterogeneity and biodiversity, as you say, throughout Australia. One of the areas of concern is that, if and when there is a public consultation process, people who do not have an enormous amount of time will want to turn their minds to this and yet at the same time would feel that they were probably just simply repeating advice that they have given to expert bodies many, many times and at this moment, indeed, are giving that same advice to the Victorian Bushfires Royal Commission. The concern is that it may well be a time-consuming and expensive exercise which could really be devoted to other areas. Is this something that the department would take into account in deciding to refer such a study to the Threatened Species Scientific Committee?

Mr Burnett—I should clarify that it is the minister's decision, not the department's decision, to refer it to the committee.

Senator BACK—The minister's decision?

Mr Burnett—Yes, but the minister would certainly take into account a range of things, not only the scientific desirability of whatever the matter might be but other considerations such as cost and inconvenience.

Senator BACK—It is premature to predict what those recommendations might be. We will follow it, no doubt, in further estimates meetings. But, should a recommendation come forward that in some way prescribed burning be limited, or be the subject of bureaucratic red tape prior to being able to be enacted, that would have catastrophic effects around Australia, and I really want that recorded. I do thank you for your explanation of the process to date and I certainly will be very keen to follow its progress over time. If the department could keep me informed on that, I would be most appreciative.

Mr Burnett—Thank you.

Ms Smith—Could I just clarify that it is not just about prescribed burning. The committee will be looking at all fire issues.

Senator BACK—Contemporary fire regimes resulting in the loss of vegetation heterogeneity—

Ms Smith—So, natural fire as well.

Senator BACK—Wildfire?

Ms Smith—Yes.

Senator BACK—Arson?

Ms Smith—They will be looking at the extent of it.

Senator BACK—Thank you, Chair.

CHAIR—Thank you, Senator Back. Senators, we are scheduled to go to lunch at one o'clock. Senator Colbeck, would you be able to squeeze in your issue before then or start it?

Senator COLBECK—I hope so. I would just like to ask some questions with respect to exporting animal products, specifically kangaroo based products. I have received representations from a number of whip makers who export whips made out of kangaroo hide. My understanding from their representations is that there has been a practice of providing what is known as a K2 permit in batches of 40. They report the export of each of those whips and there is a price attached to that batch of 40 K2 permits. I have not been able to find the K2 permit on the website. This year they were advised those batches of K2 permits were no longer available and that the option for them was to use a K1 permit, a Kangaroo product export certificate, which costs about \$60 and takes about three weeks to process, or another form for a single user permit which costs \$35.

The value of some of these products is not high. Sample whips, for example, which they value at about \$60 are effectively being charged for the same value of the product, just for the export permit. It seems as though there has been a process in the past that was quite simple. One of the whip makers has said to me that he has even been accused of breaking the law by using the process that was being used by agreement with the department in the past. My question is: why has this process been taken out of the system and why is it so difficult? These are all effectively single business people, they are individual operators; one has been working for 30-odd years, another for 18-odd years, one bloke who is employing the first ever whip-making apprentice in Australia. They are small microbusinesses and we effectively have bureaucratic decision that is imposing a ridiculous cost on their business. It is basically putting them out of the international market that they have enjoyed for a long period of time with a high-quality product.

Do you have any understanding of what is going on there? Is there any possibility that we can effectively put into place a simple regime where these products can be managed? The person who shoots the kangaroo has a permit and each kangaroo is tagged; the skin buyer has a government issued permit to receive the skins; and the tannery has a government permit. There is a whole chain of looking after the product from the time it is harvested through. Whip makers do not have a problem with reporting their export of the product, but they do not want an expensive bureaucratic process that inhibits their trade.

Ms Smith—It is my understanding that K2 permits were brought in some years ago in an attempt to, as you say, simplify the processes and assist exporters. As you correctly identify,

some of the exports are not very costly. It transpires that the department found out not all that long ago, that it is possible that the use of K2 permits is actually not legal under the EPBC Act. We have had to therefore begin looking at that issue and talking to some of the people that have obviously talked to you, Senator. The department is working through what is possible for the future.

Senator COLBECK—The department has effectively been operating a system that it has now discovered is not legal under the act?

Ms Smith—That is possible; we are assessing that at the moment.

Senator COLBECK—You are not sure. Do we have any time frame on when we can resolve this? It would seem to me that potentially it could be something that hopefully could be dealt with very quickly. This has been going on since early this year. It seems like a simple administrative thing that hopefully could be dealt with pretty quickly.

Ms Smith—We would hope so too, but we are dealing with it as quickly as we can.

Mr Burnett—I will have a personal look at this. It is not something I was previously aware of, but from what you say it sounds like a concern. We will have a closer look and see what we can do.

Senator COLBECK—I have to say, I was surprised at the number of representations I had. One whip maker come to see me to start with, and my response to him was, ‘Talk to the rest of the people in your profession,’ and this wave of requests came to me to represent the issue. I was surprised. But, when you look at the product that they are making, which is high quality—the whips are \$400 to \$600—

Ms Kruk—We will follow it through. Thank you for raising this and we will follow through.

Senator COLBECK—I would appreciate that.

CHAIR—Thank you, Senator Colbeck. Thank you, officers.

Proceedings suspended from 1.00 pm to 2.06 pm

CHAIR—I would like to welcome Senator the Hon. Penny Wong, Minister for Climate Change and Water. Thank you for joining us this afternoon. We are still in Program 1.2: Environmental Regulation, Information and Research.

Senator SIEWERT—Are we just doing the EPBC at the moment?

CHAIR—Yes.

Senator SIEWERT—How bored would you be if I did not ask about Christmas Island? Where are we up to with the re-evaluation and the mining proposal?

Mr Burnett—Last time you asked we indicated that the mining company PRL were given the opportunity to provide additional information, which we were expecting about the end of March. We have since received that information and we are considering it. We are putting together our recommendation report.

Senator SIEWERT—When do you expect that the recommendation report will be made to the minister?

Ms Middleton—We are currently putting together an assessment report, but we are proposing to have PRL's submission released next month for 10 days of public comment. We will want to include those public comments in our deliberations in the assessment report.

Senator SIEWERT—You have pre-empted my next question, that is, whether you were going to release their submission.

Ms Middleton—Yes. That will be released on the department's website next month and there will be a press release issued advising that.

Senator SIEWERT—That will be to let us know that it has been released. Will you be writing to the usual suspects in order to invite their comment, or are you just doing it through media release?

Ms Middleton—We will do it through the usual media release process.

Senator SIEWERT—Did you say that it would be open for 10 days comment?

Ms Middleton—Ten business days of public comment.

Senator SIEWERT—Is that specifically on the company's renewed submission?

Ms Middleton—It is on the supplementary submission that they have provided.

Senator SIEWERT—Is the type of information that they provided in the supplementary submission purely updating their previous submission, or is it a new claim for more mining?

Ms Middleton—No. It is related to the original proposal. It is updating the information and responding to issues that they had with the original assessment report that the department had prepared; that was the subject of the legal case. They have actually updated their information to reflect responses, if you like, to concerns that the department had with the previous proposal.

Senator SIEWERT—I thought that the reason that the case was overturned in the court was because of essentially administrative processes within the department. They are having another bite of the cherry about why they did not like your assessment; is that correct?

Ms Middleton—They do have the opportunity to respond to some concerns that they had, and that will be rolled into the department's assessment report.

Senator SIEWERT—Once you get submissions in there will be a period of time where you assess that and then provide advice to the government. Can you go back to when you expect the minister to make a decision?

Ms Middleton—I would imagine that it would be within a few months of the public submissions closing, depending on the volume of submissions that we receive.

Mr Burnett—As we canvassed last time, there is no statutory time frame applicable in this case, where the court has sent it back for a fresh decision.

Senator SIEWERT—That is why I am asking what time line we could expect. When you are doing your assessment are you taking on board the biodiversity program report, which we talked about quite extensively last night? That has now become available. Are you taking that into account in your assessment process?

Ms Middleton—The minister can take account of all relevant information. If it is relevant to the impacts of mining then, yes, he could take account of it.

Senator SIEWERT—I have other EPBC questions.

CHAIR—Senator Scullion, was your question about EPBC Act matters?

Senator SCULLION—Yes, indeed. I have some short matters that I am sure Mr Early will be able to help me with.

Senator SIEWERT—As long as we are not finishing on EPBC.

CHAIR—No. Away you go.

Senator SCULLION—You may have been aware that last night Mr Cochrane kindly indicated you would be happy to provide some answers to some questions. I am sorry I do not have my notes with me at the moment. The first matter was in regard to Cocos Island congress's application that your department kindly assisted in paying for a consultant to help prepare. I understood from the questions provided on notice at the last set of estimates that there was a draft, although you said it was not publicly available. I also understood, in a more general sense, that there are some questions that have been provided back to the congress that needed some clarification in terms of the specifics of the application. I wonder if you could do a couple of things for me. Can you give me the status? Where is that up to in terms of timing? Could you just frame some of the process around the evaluation processes that this application will go through? Could you also talk to us about the areas of clarification? I understand there are some animal welfare issues in terms of that clarification. What is the scope of the considerations that they are putting forward?

Mr Early—Certainly. I noted your concerns last night about whether or not the department was acting fairly in relation to the Cocos Malay community's proposal to harvest red-footed boobies in the Cocos Islands. I would like to start by assuring you that the department handles every referral submitted to it purely on its merits. We certainly have no philosophical or ideological objections to the wild harvest of native species, which is, as you know, permitted under the EPBC Act.

Senator SCULLION—I am very pleased to hear that.

Mr Early—As you know, there are a number of approved harvest arrangements in place under the act already. However, I would have to say that those approved regimes are subject to strict conditions and monitoring arrangements, as is appropriate for native species, and to approve such a scheme the minister needs to be assured that the management arrangements will guarantee the sustainability of the species and that the management arrangements will be adhered to and controlled. As I mentioned at Senate estimates last time, we have attempted to get some information from the Cocos Malay community about how they would manage any sustainable harvest of the red-footed boobies. We have written to the community twice.

Senator SCULLION—These are some of the areas that I think are unclear. When you refer to the community managing sustainably, it conjures up the idea that the community will be managing it; in other words, they will be providing it. I can understand their input into the management plan, but I would not have thought that they would be involved in the day-to-day management of compliance and all of those sorts of things. I can understand their

involvement in the actual plan. Can you just clarify that for me? When you talk about their involvement, is this in a long term or is this just in terms of the plan?

Mr Early—We may be at cross purposes a bit, because I disagree with you. It is the Cocos Malay community's proposal. They are proposing to us that they should be allowed to cull 3,000 of these listed migratory species each year. We need to know from them how they propose to manage that. These are the sorts of things that apply routinely to a harvest operation: how they propose to manage it; how they propose to determine an annual quota, taking account of the populations that are there; and how they intend to ensure that if, for example, the minister were to approve a harvest of, say, X, how do we know that it is not going to be X plus a lot more. It is the community's proposal. They would need to determine how it is run.

Senator SCULLION—I understand now. They are being asked to provide an entire management plan to the extent that you have just described, but they are still not being expected to provide a role. For example, it is not about counting the birds, making sure that you have the right number of birds, making sure that police officers are in the boat and those sorts of things. It is actually providing a plan that says, 'We think this number of birds is sustainable because we have done some spatial dynamic modelling and we've been assisted by the ANU.' Are they the sorts of things?

Mr Early—That is the start, but then they also need to be able to tell us how the whole program would be administered. It is their proposal. It is really up to the Cocos congress to tell us how they establish the annual quotas—that is what you have spoken about—and how they would manage and monitor the actual harvest. With these harvest operations, the minister's approval is to an organisation or a state, in some cases, and it is up to the person proposing the harvest to indicate how the thing will be managed. As you would appreciate, the minister has to have some confidence that, if a harvest were to be approved, it would be managed appropriately and in accordance with approved conditions. Without that sort of information it is very difficult for us to progress the matter. That is not an issue just for the Cocos Malay community; it is an issue for any harvest operation.

Senator SCULLION—I appreciate that. You are aware of all of the discussion that, true or not, there is a clear historical perception that this was part of an agreement. I am starting to understand that the challenge now is that the department is doing an assessment and it would be difficult for you to be part of the original partnership doing an assessment, which is why you have paid the independent people to assist in making the assessment.

Mr Early—That is right. We cannot be in a position of developing a proposal which we then assess ourselves and say, 'Wasn't that a good idea?'

Senator SCULLION—It is about finding the weighting of what part you were in the original position. As far as they are concerned it was an agreement that we would move forward as part of this to establish. I understand that this has to take place this way. I acknowledge that you provided funds for that to take place. I still have some difficulty with the minister ever saying, 'Crack on.' You would have to have some independent person to ensure that is audited and all those sorts of things. I could not see a place where the department would not be involved in the day-to-day management of that.

Mr Early—There may well be a role for Parks Australia. The fundamental first issue is we need to know what the community is proposing. Others who are more familiar with this might correct me if I am wrong. At the moment we have little more than a number of birds that they want to harvest, but no understanding of exactly how they are going to do it.

Senator SCULLION—Let us face it. In reference to the consultancy, the community said, ‘This is just beyond us’, and you said, ‘We’ll help pay.’ You have gone through the process of establishing that one of the sections of the ANU had all those sorts of skills. Are you telling me that they have not provided what you paid them to provide?

Mr Early—I think they have. The further information we need can only come from the community, and that is how the community itself intends to run any harvest if it were approved. If it were approved it would be subject to quotas. We need to be confident that, if approval were given, they did not just go berserk and shoot 10 times as many birds as has been approved.

Senator SCULLION—I understand. How long is it since they have been in this position, that the ANU’s submission has gone in and you have identified that it will have to be a lot further than this? How long has the community been in the position where they have been asked to fill in the gaps?

Mr Burnett—It was 2007. I think we covered last time that we had written back to them in 2007 and identified the further information.

Senator SCULLION—Have they communicated back to you at all on that?

Mr Burnett—Not in writing, but we have had a couple of telephone hook-ups in the intervening time and we have attempted to explain to them what our requirements are. While I was not a participant myself, I understand from our staff that the general tone of the conversation was, ‘Yes, we understand.’ We have since written again, I think as recently as last week, simply reiterating those concerns from 2007.

Senator SCULLION—Does that spell out basically the concerns, which equal requirements, for them to get back to you on?

Mr Burnett—Yes, that is right. The position we are in is that there are obviously stages to the process. We had enough information for the first stage, which was to decide that it was a controlled action and we needed to look at it. We now need the second stage, as Mr Early has been saying, to spell out the detail of not only the scientific basis for this proposed quota but of how it is going to be managed. We just do not have that information to go forward.

Senator SCULLION—Would you be able to provide me with that letter on notice?

Mr Burnett—Yes.

Senator SCULLION—The most recent one.

Mr Burnett—We will just need to check with the congress that they are happy for you to have it. It is, in one sense, private correspondence, so it is subject to that.

Senator SCULLION—Indeed. I am more than happy for it to be subject to that. Is the reason the document is not public yet that it has some property rights issues in terms of belonging to congress?

Mr Burnett—Yes. The documentation to date is just correspondence between the congress's proponent and ourselves. When it gets to the point where it is sufficiently developed and we can say, 'Yes, that's a fully developed proposal', and we can identify which of the methods under the act apply for assessment, then it goes out for public comment.

Senator SCULLION—Has the consultancy with the Australian National University now been completed? In other words, they are not really available to further assist them in these matters.

Mr Burnett—We are not a party to that contract but understand that it has been completed and provided to the congress. It is probably the management side that we really need to tackle now.

Senator SCULLION—With the money that you provided to this consultant, the process was just simply finding numbers, population dynamics and those sort of things. The actual management aspect was not covered in that and we are now waiting for congress, and since 2007 they do not appear to have moved forward very much.

Mr Burnett—That is right.

Senator SCULLION—Do you think there would be any consideration for giving them a bit more time to see how they respond to your letter? Management is not something that falls out of the sky. It is fairly complex and, as you rightly point out, an important issue. Do you think there would be any scope to perhaps provide further assistance in this separate but necessary area?

Mr Burnett—It depends on what kind of assistance you are talking about.

Senator SCULLION—Assistance that enables us to complete the application.

Mr Burnett—I do not think that it can come from us as the regulatory side. If congress are looking for assistance, perhaps there are other channels that I am not aware of. In terms of us as a regulator, we really have to confine ourselves to that regulatory role.

Senator SCULLION—I assume the reason that you provided the funding was that that gave you an arm. You just simply provided the funding to assist in the process and it took you out of the process.

Mr Burnett—That is right. Also, that was from the parks side of the department. I know we are all part of the same department, but it did not come from us in the approvals area.

Senator SCULLION—Do you think there would be any scope for parks to supply, in the same way—

Mr Early—I think there is some scope. We do not like the idea of having assessments hanging around for ages either. We will talk to parks and see whether there is some way we can get the matter progressed and have the community understand precisely what it is we want. Although we have done that quite a lot to date, we will try to work with our parks colleagues to attempt to progress it so that we can come to a conclusion.

Senator SCULLION—Thank you for that. There was one other matter that I spoke about yesterday with Mr Cochrane. It was in regard to the potential to ensure that the dugong population on Cocos (Keeling) Islands is in some way sustainable, notwithstanding anecdotal

stories of whether they are vagrants or otherwise. As to impediments, we do not have enough time for the answer to that question. What processes would be required to move an animal that is protected under the EPBC Act in Australia, for example, to somewhere like Cocos (Keeling) in order to provide a couple of girlfriends for the bachelor out there?

Mr Early—That is a difficult question to answer.

Senator SIEWERT—He is a marriage broker. He is trying to put it politely.

Mr Early—I am not quite sure. We would have to look at it in terms of the act. There might be requirements for permits.

Senator SCULLION—I would suspect that there is a whole range of issues there. I am not talking about taking them from a park. Probably the best way is I will write you a letter explaining the circumstances and you can respond about the sorts of things that you think you can help with.

Mr Early—Yes.

Senator SCULLION—Thank you.

Senator COLBECK—I would like to go to the decision of Minister Garrett to ask the New South Wales government to cease logging in the Ramsar wetland—

Mr Early—Could I say immediately that Minister Garrett has made no such decision and has not asked for New South Wales to stop logging.

Senator COLBECK—That is not what everyone understands and believes out there—

Senator BIRMINGHAM—Has he restricted logging in any way?

Ms Kruk—With your agreement, could Mr Early possibly clarify what the situation is, because the newspaper reports were frankly incorrect? That may assist Senator Colbeck in terms of his questioning. Is that possible?

Senator COLBECK—Yes.

Senator ABETZ—I am happy to put on the record that this minister seems to have a lot of problems with so-called incorrect media reports.

Senator Wong—I can recall you making a number of comments about the media over the period that you were in government. I notice that even the way in which Senator Colbeck raised the question on this occasion continued what I understand to be an incorrect assertion about the situation, but I am happy to have Mr Early outline what that is.

Mr Early—This issue goes back some time. We have been having discussions with New South Wales authorities about logging in the central Murray forest for some time. The media reported a so-called stop-work requirement. In fact there is no stop-work provision within the EPBC Act, so that puts the lie to that. Our minister has actually come out and denied that categorically. We are still in discussions but there have been no stop-work provisions. There has been no requirement for alteration of practices at this stage at all.

Senator COLBECK—Where did the 31 May date come from?

Mr Early—As I say, we have been in discussions for quite some time on this issue and my colleagues can give you the details if you want, but the department wrote to New South Wales

forests and parks asking that they get back to us by 31 May to try to finalise some of the negotiations which have been going on for quite some time.

Senator COLBECK—You did not tell them that they had to cease work by 31 May?

Mr Early—No.

Senator COLBECK—I will come to that. I am happy to take what you have said in respect of where we are at at the moment. I understand that there has been a discussion over a period of time on this issue. My understanding is that in 2002 there was an assessment of the Ramsar site. At that time there was an agreement that forestry could continue in that site. Can you tell us what has changed since 2002, particularly with respect to the parrot which is being used as the prime reason for raising the concerns that are being raised now?

Mr Burnett—The main thing that has changed since 2002 appears to have been a change in the way that the forestry has been carried out. There has been intensification and in particular the use of a forestry practice called Australian group selection.

Senator COLBECK—Can you describe that to me?

Mr Burnett—I am not a forester but, as I understand it, Australian group selection is sometimes described as clear-felling in patches. The alternative form of logging technique is called single-tree selection, which involves identifying an area and picking individual trees. Australian group selection involves identifying an entire patch and clear-felling within that patch and then a range of patches over a larger area. That is an intensification of the logging.

Senator COLBECK—For how long has this practice been in place?

Mr Burnett—I cannot give you an exact date, you would have to ask Forests New South Wales, but our understanding is that the practice has been used in this region from about that time, the early 2000s. It was originally developed—

Senator COLBECK—If the practice has been in use since the early 2000s and the area was assessed in 2002 and they have been using that practice since that period of time, nothing has changed.

Mr Burnett—I am not sure that that is right.

Senator COLBECK—All I am after is a context. What I wanted to know is what has changed since the assessment took place in 2003—

Mr Burnett—The intensification and the use—

Senator COLBECK—You have told me that there has been an intensification—

Mr Burnett—And the use of Australian group selection.

Senator COLBECK—What I am asking is when did the practice start? When did that intensified practice commence?

Mr Burnett—The information that we have is, as I say, in the early 2000s. We do not have a specific date for it.

Senator COLBECK—Why has it taken until 2009 for you to take action if it happened in the early 2000s?

Mr Burnett—Because it was referred to us when an allegation was made by the National Parks Association in New South Wales last year. We began to investigate that as an allegation of noncompliance with the EPBC Act.

Senator COLBECK—Were there any forestry methods that were agreed as part of the agreement in 2002?

Mr Burnett—I do not even know if there was an agreement in 2002.

Senator COLBECK—I am basing it on the information that I have been given that there was. It was included and accepted—

Senator Wong—Between whom?

Senator COLBECK—If it were under a Ramsar site, it would have to have been the New South Wales government and the Commonwealth government, I would have thought.

Senator Wong—Let us stop for a minute there. I do not have any officers at the table telling me that there is such an agreement. I am just concerned about proceeding with subsequent questions on the basis that there was.

Ms Kruk—Could we take the exact nature of the agreement on notice? If we could have the benefit of background material, we could check that.

Senator COLBECK—That would help us all—there is no question about that—because quite frankly it is easy for someone who has something against forestry to make an allegation against a practice which then leads to an investigation and an action, but I would have thought that this sort of history should have been investigated as part of that process.

Mr Early—There were a number of discussions with the CEO of Forests New South Wales and he certainly alluded to the fact of the Ramsar listing in 2002, but at no stage has he talked about an agreement about the continuation of forestry. Nor has he refuted the claim—

Senator COLBECK—Why would the New South Wales government continue to log in a Ramsar listed site if there were no agreement that it was an accepted practice as part of the Ramsar listing?

Mr Early—You would have to ask the New South Wales government about that.

Senator COLBECK—Why didn't the Commonwealth take some action back at that stage if there was activity that was not in accordance with the listing of the site?

Mr Early—It is the intensification that we are talking about.

Senator COLBECK—That therefore implies that there was some acceptance of the fact that forestry would occur. I do not need to argue about that. I accept your argument that intensification is the issue. I am not arguing about that. I might have a difference of opinion over some of the terminology that is being used. What we are talking about is harvesting of areas which I understand are at about a 50- or 60-metre block and clearing those in some patchwork. From my understanding of the practice, nest trees and trees that are of significance to the forest and to native animals in the region are marked and only trees that are suitable for taking for harvest are taken. So we get down to definition on practices there; I understand that.

Ms Kruk—If I could assist here, I think both Mr Burnett and Mr Early have indicated that they have now been involved in some quite detailed discussions with New South Wales forests. You are probably aware, or your background material would indicate, that this has been a longstanding matter in New South Wales. This is a matter which I also understand is now in the court between New South Wales and the National Parks Association, and it has as much to do with the compliance or otherwise by state forests in relation to the EIS processes. My understanding—and I am sure Mr Burnett would help me here with the detail—is that the department received an allegation from a party about logging practices. Particular logging works have quite long-term regimes, as you know. You have a belief about some commitment being made between the department—obviously my officers are not aware of that—but the discussions are currently underway between the two agencies. The department was responding to an allegation vis-à-vis compliance and the change in terms of activity.

Senator COLBECK—I am happy to move on. I would ask you to provide us with what information that you have in respect of those particular issues. I would appreciate that.

Ms Kruk—I am pleased to do so.

Mr Burnett—I would like to add one piece of information to complete the story of what we do know. We do understand that New South Wales provided information to our department in the lead-up to the Ramsar decision. What we are saying is that, firstly, we have no knowledge of an agreement; secondly, that it is the intensification as you have acknowledged—

Senator COLBECK—I am happy to accept those things that you mention. You have said that you received a complaint from the National Parks Association. What action did you take to investigate that complaint?

Mr Burnett—There has been a whole course of interaction over the last nine or 10 months. I will mention some of the more significant interactions if you like.

Senator COLBECK—Yes.

Mr Burnett—We made initial contact with Forests NSW on 25 July last year. Forests have provided us with information at various points during the year—

Senator COLBECK—What sort of information are you talking about there?

Mr Burnett—About the whole—

Senator COLBECK—Information about the logging practices and the science behind those logging practices?

Mr Burnett—That is right. And also whether they held various kinds of permits and approvals and anything that was relevant to getting a better understanding of what this practice was, where the logging was occurring and what impact it was having. Our officers met with them on 2 September in Deniliquin, because we were dealing with the south-west region and that is where their office is. We also had a meeting on 26 November in Canberra. There have been some further meetings this year, on 5 March and 6 April. I think 18 May was the last face-to-face meeting that we had. There were also site visits—I just do not have the dates for those—in September and December. The September 2 site visit was the same time as

we had the meeting in Deniliquin; we also undertook a site visit. Again from 2 to 5 December there was a site visit. Of course there have been other interactions, but they are the key ones.

Senator COLBECK—If the issue for you is the intensification of the logging and the reason for the current situation as it relates to the impact on parrots—

Mr Burnett—It is not just parrots.

Senator COLBECK—That appears to be the front issue. That is the element of this process that is getting the attention. If it is not about parrots, what is it about?

Mr Early—It is a Ramsar site.

Senator COLBECK—But it extends much more broadly than that. It extends into the whole forest in the region.

Mr Early—It is a Ramsar site. There are a lot of threatened species in the area and there are a lot of migratory species, of which the parrot is one, so it is really—

Senator COLBECK—But the parrot has been the focus.

Mr Early—It has been the focus of the media. I am not sure it is the focus necessarily of—

Senator COLBECK—Is the parrot specifically mentioned in any discussions between you and the New South Wales government?

Ms Kruk—The minister issued a press release on 25 May, and that release actually makes no specific reference to the issue of the parrot at all. It actually talks about the potential for logging to impact on wetlands of international importance and other matters protected under the national environment law. I think it did flow initially from that media article on the Monday of that week which focused somewhat narrowly on the issue of the parrot.

Senator COLBECK—Parrots are beginning to have somewhat of a reputation; I do understand.

Mr Burnett—The parrot is often mentioned but, as Mr Early says, there are quite a number of nationally threatened species that we are concerned about.

Senator COLBECK—What work has the government done to verify the complaint and the issues in the forest? You have had all the meetings.

Mr Burnett—We have had the meetings. We have had the site visits. We have gathered information available to us. Some of it is information that we already held within the department. Other information is provided by Forests NSW. We also commissioned an expert report from a woodland ecologist.

Senator COLBECK—That is the scientific information that you would be relying on?

Mr Burnett—That is a key part of it.

Senator COLBECK—Along with other information that you have compiled from within your own sources.

Mr Burnett—That is right, yes.

Senator COLBECK—Who did you commission to do that report?

Mr Burnett—Mr Peter Bacon.

Senator COLBECK—Is that report available to the committee?

Mr Burnett—No.

Senator COLBECK—Why not?

Mr Burnett—Because it has been prepared as part of an investigation into a possible breach of the EPBC Act and we have a standing policy of not releasing information that has been compiled as part of an investigation.

Senator COLBECK—How does anyone else assess the situation that is currently in front of us at the moment? What information have you shared with the New South Wales government, for example? Have you shared that report with the New South Wales government?

Mr Burnett—We have told the New South Wales government some of the content of it, but we have not yet provided them with a copy of the report.

Senator COLBECK—How frank are the conversations that you are having with the New South Wales government then? We are giving them some; we are withholding others. If we are having a constructive debate or discussion between the two governments to try to resolve what is quite obviously a fairly highly charged issue, why are we not sharing information?

Mr Early—The discussions are very frank.

Senator COLBECK—I understand they are very frank—

Mr Early—Very frank and very robust.

Senator COLBECK—I can imagine.

Mr Burnett—We think it is not desirable at this stage to provide the report until it is clear to us that we have found a way forward. Because this is still a matter under investigation that report is potentially evidence and we normally do not release potential evidence until it is clear that the matter has been resolved.

Senator COLBECK—You say that there is no ban in place at the moment. What is the actual current situation?

Mr Burnett—The current situation is that we are—

Senator COLBECK—Are there any applicable dates at the moment? Are there any specific dates that are required to be met?

Mr Burnett—No. But the minister has asked us—as you have probably seen from his public comments—to redouble our efforts and to attempt to reach an agreed way forward as soon as possible, and that is what we have done. We are not working to a specific date at this stage.

Senator COLBECK—But I think he has also said that he is determined that the ban will actually take place.

Mr Burnett—I do not think that is right.

Senator COLBECK—I quote: ‘A spokesman for Mr Garrett says there’s no plans to abandon the ban but it could be delayed.’

Mr Early—Is that a newspaper report? Because I would not place much credence on that.

Senator COLBECK—I do not believe what I read in the newspapers, no.

Senator Wong—Chair, if there are going to be documents quoted from, I think—

Senator COLBECK—I am happy to give you the source. I am not hiding anything. I am happy to give you the source.

Senator Wong—If I could finish, I think officers should be entitled to have a copy of the document in front of them so they know what they are answering.

Senator COLBECK—Yes, that is not a problem.

Mr Burnett—I think it would be better not to comment on what might have been in the media.

Senator COLBECK—The problem is that the public only know what is in the media and there are a lot of people who are very concerned about their jobs. The area has suffered significantly through a whole range of other unfortunate circumstances, including drought or whatever you want to call it. They want to get a decent sense of what the real story is.

Mr Early—It might be helpful to table Minister Garrett's media release where he makes it absolutely clear that those reports in the newspaper are incorrect.

Ms Kruk—My apologies. I got the date of the press release wrong. It was actually issued on 11 May. I can read from that statement. The minister states:

My expectation is that these matters can be resolved before May 31, however if necessary the Commonwealth is prepared to agree an appropriate timeline for the resolution of these matters with the New South Wales Government as part of these negotiations.

This is an important question of balance—protecting habitat and internationally listed wetlands, with the need to protect jobs in the region and I urge all parties to continue negotiations to get this issue resolved as quickly as possible.

I am happy to table that press release.

CHAIR—Thank you.

Senator COLBECK—What relationship does the current EIS that the New South Wales government are undertaking have to this process? Is it related to this process following discussions or does it have any standing as part of this process?

Mr Burnett—It is an indirect relationship. There is no direct relationship. That EIS is being prepared as part of a settlement of a court action in New South Wales brought by the National Parks Association.

Senator COLBECK—Is it part of their ongoing campaign against forestry in the region?

Mr Burnett—It is the result of a settlement of a case between the National Parks Association and Forests NSW in New South Wales about compliance with New South Wales law. In that sense, it is not connected with the EPBC Act. However, it is potentially of relevance in the sense that the environmental impact statement, which we understand will be published on 1 June, may well contain information that is relevant to our inquiries as well.

Senator COLBECK—What science do you have on the Australian group selection logging practice?

Mr Burnett—General science—advice from experts and general information in the field.

Senator COLBECK—What is it that makes you take offence to the practice?

Mr Burnett—We do not take offence. Our concern—

Senator COLBECK—What has caused you to take action because of it?

Mr Burnett—The concern is that clear felling in patches destroys the continuity of the tree canopy and that has a very significant impact on the ecological character of the Ramsar wetland, obviously where it is occurring within the Ramsar wetland, and elsewhere. By disrupting the continuity of the tree canopy it is having a significant impact on the habitat of nationally listed threatened species.

Senator COLBECK—Do you have science to back that assertion up?

Mr Burnett—Yes.

Senator COLBECK—Can you make that science available to the committee?

Mr Burnett—It is all in the expert report.

Senator COLBECK—These logging practices are practices that state forestry departments and the logging industry spent a lot of money on designing to mitigate the impacts of broader scale forestry to provide a smaller impact on the forest. They spent a lot of time and effort in developing their science on that and yet the science that you have got that demonstrates that there is a problem is not available to anybody. It is one report by one person. I do not know what his qualifications are. What are his qualifications?

Mr Burnett—He is a woodland ecologist. I do not know whether Ms Webb has further information about his qualifications.

Ms Webb—He has 35 years experience in ecosystem management and he has worked in the river red gums area in particular over that time.

Senator COLBECK—What are his qualifications?

Ms Webb—I have not got his university degree with me.

Senator COLBECK—One person's science gets put up against everyone else's; it is held secret and nobody gets to see what goes on.

Mr Burnett—That is not the way it works. For the purposes of an investigation this is a practice that we often adopt because the standard under the act is whether the action concerned is having a significant impact on a matter of national—

Senator COLBECK—One person's report says that it does. One person, whose qualifications we do not know about but who is classified as an ecologist, says that this is having a significant impact. The National Parks Association make the same claim. I am sure that the New South Wales Department of Forests would have scientific evidence to support their forest practices, which is obviously out there publicly. The balance does not seem to be—

Mr Burnett—We are in ongoing discussions with Forests New South Wales about those issues, including the applicability of that forest practice in that area. We have made very significant progress in that and I am fairly confident we will find an agreed way forward.

Senator COLBECK—What is expected of the New South Wales government at this time?

Mr Early—We cannot comment on that. This is the subject of intergovernmental negotiations, which at the end of the day will have to be agreed by the New South Wales minister and Minister Garrett.

Senator COLBECK—Have you asked the government to refer this under the EPBC Act no later than 31 August?

Mr Burnett—I think you are referring to correspondence that is now superseded. At the moment, that is not the proposal that is specifically under discussion.

Senator COLBECK—That would be the letter that says:

Forests NSW should, by 31 May, cease all harvesting operations in the central Murray forest Ramsar site until further advice from this department or referral from wider operations.

Ms Kruk—As I indicated earlier, the minister's press release actually supersedes that correspondence. As Mr Burnett has indicated, we were asked to redouble our efforts. That also makes reference to the meaningfulness or otherwise of the 31 May time frame. We were asked to attempt to resolve the matter.

Senator COLBECK—I understand what you are saying. We have been told that there has been no demand for cessation of harvesting, yet the demand was made. There is no question that the letter calls for cessation of harvesting, a cessation of the use of the Australia group selection practice and the referral of operations under the EPBC Act by 31 August. I accept that process may have changed, but I am concerned that there is a determination to continue with this process. I do not know why a spokesperson for the minister said that on ABC radio. I am happy to table the document so that you can have a look at it. The statement was that there are no plans to abandon the plan. If that was in my ministerial office, I would be kicking some backsides. I am tabling the document so that the officers can have it in front of them, Senator Wong. I do not want to put something out there that they have not had the chance to have a look at. We have been told that there was no demand to stop work, and it is quite clear that did occur.

I understand there are subsequent discussions going on, but it would be nice if everything were on the table as part of this process. It appears, as Mr Early said, there are still some full and frank conversations going on with New South Wales, because they obviously do not agree with your position on this at this point of time, particularly with respect to cessation of operations.

Mr Early—The original letter was not a demand to stop operations. It was referring to the extensive negotiations that had been going on.

Senator COLBECK—It is pretty clear:

The department has looked at all the information to date and requests that New South Wales undertake the following.

Mr Early—Yes, requests.

Ms Kruk—Mr Early indicated this earlier. The question was: was there a stop-work order issued, and the answer was no. The letter clearly indicated that there was an expectation on behalf of the agency that some action would take place by 31 May. That letter, as I have indicated twice now, was superseded by the minister's request to us, as was Minister Macdonald's request to state forests to work together to attempt to resolve this issue.

Senator COLBECK—The question is: where are we now?

Ms Kruk—If I could just finish. I am not familiar with alleged media reports, or otherwise, on it. I have the minister's request to me. I have the public statement that he issued in his press release, both of which are consistent, and those discussions are underway. There was not a stop-work order issued. There was not a direction to cease work, but there were certainly discussions between our agency and state forests in an attempt to resolve it.

Senator COLBECK—Bottom line, where are we now?

Mr Early—We are still in discussions.

Senator COLBECK—Full information is not being shared. Obviously, there is a potential litigation going on because you are holding information that you deem could be evidence. That puts that on the table. You are effectively negotiating. What resolutions have you got to at this stage?

Mr Early—I cannot comment. As I said before, we are in negotiations at officials level at the behest of both ministers, who at the end of the day will need to agree to the course going forward. I am not in a position where I can talk about where the negotiations are, what ministers might be thinking or what they might not be thinking.

Ms Kruk—I support Mr Early. We are in a difficult position. There are statutory responsibilities that we have under our legislation. They obviously need to be honoured and that is why Mr Burnett commented about not making all of that information available publicly at this time. We have a request from the minister to attempt to resolve this without needing to go to litigation because of the significance of the issue, both from an environmental perspective and also from an economic perspective, to that community. I am really sorry. I am trying to be as helpful as I can in this case, but I do not think I can take it any further.

Senator COLBECK—I will just place one other thing on the record. Senator Boswell might want to talk about this. I would just like to put on the record that the Superb Parrot was mentioned as part of that letter to the New South Wales government, which may be very well when the New South Wales government started this public dust-up. It is cited as one of the reasons in the letter from the department that the Commonwealth was expressing concern about operations in the region.

Mr Burnett—Yes. That letter is just one letter in an ongoing chain of discussion and negotiation.

Senator COLBECK—It is also the letter that requests that the process be referred under the EPBC Act. It is also the letter that requests that the AGS practices be ceased. It is also the letter that says to stop logging and the letter that says that Forests New South Wales commission comprehensive prelogging flora and fauna surveys. It is central to the issue. If

there are other issues out there, let us tell people what the issues are if they need to be addressed. You have got communities who are concerned about their livelihoods, and we have been through all of that, but let us tell it as it is.

Ms Kruk—I certainly would agree with your desire to have some of the facts put out in the public arena, as opposed to having to respond to what obviously are pieces of wrong information. I would ask Mr Early to add one more comment.

Mr Early—In the context of this ongoing negotiation, Minister Macdonald from New South Wales actually contemplated the referral in September of last year. It is not as though the notion of referral has suddenly come out of the blue; it has been discussed for some considerable time.

Senator COLBECK—I understand that there are considerations on both sides of the equation on this. Obviously, if the New South Wales government is spending \$2 million on an EIS, they are wanting to make sure that what they are doing is tickety-boo as well. They have obviously been in a long-running argument with the National Parks Association in New South Wales. Coming from Tasmania, I can tell you that highlights people's attention to issues forestry. I do not think that there is a state that has got too much more focus on forestry than where I come from. I understand all of that.

I just get concerned when I see something that appears to be happening for a reason that is not the whole reason. I think that it is reasonable that the communities involved have an understanding of what is going on. I understand that both ministers have requested that it be sorted out as quickly as possible. It is important that we actually do that so that we can start moving on.

CHAIR—Senator Boswell, do you have a question on the same matter?

Senator BOSWELL—It is on the same matter. Can the department advise as to the basis of the Ramsar wetlands accreditation of the New South Wales Central Murray state forest in May 2003? Is it true the department endorsed the application that includes the continuation of existing uses, including timber harvesting and grazing?

Mr Burnett—We discussed the second part of your question while you were out of the room. We have taken that on notice. With the first part of your question, I think you are asking for the basis of the Ramsar listing.

Senator BOSWELL—I will read it again. Can the department advise as to the basis of the Ramsar wetland accreditation of the New South Wales Central Murray state forest? Has it been accredited?

Mr Burnett—The basis of the accreditation is quite a long and technical document. It is the qualities of the ecological character description for which the area is listed as a Ramsar site. We would be happy to obtain that for you and provide it to you.

Senator BOSWELL—I just want to know: was it accredited? Did the department accredit the New South Wales Central Murray state forest as a Ramsar wetland? Was that accredited?

Mr Burnett—I am not sure I understand the question. As I said, there seem to be two parts to your question. The first part relates, as I understand it, to the technical basis of the Ramsar listing.

Senator BOSWELL—Was the Ramsar listing accredited by your department?

Mr Burnett—I still do not understand the question, because the Ramsar listing is something that occurs internationally following a nomination by Australia with the agreement of New South Wales. That is the way it took place.

Senator BOSWELL—Someone must agree. Your department would agree to the accreditation or would you say that it should not be accredited?

Mr Burnett—It is the word ‘accreditation’ that I do not understand.

Senator BOSWELL—Let me put it to you this way. Ramsar wetland was put up as a bird site, I would presume, and then someone would have had to say, ‘Yes, you can log there.’

Senator Wong—I wonder if we could take this sequentially. Is the first question: when was this listed as a Ramsar wetland?

Senator BOSWELL—I have got that it was listed in May 2003.

Senator Wong—We have got that. What is the next question?

Senator BOSWELL—The next question is: if it was accredited in May 2003, did your department endorse that accreditation?

Senator Wong—I think Mr Burnett’s point is that we do not think ‘accreditation’ is quite the word.

Senator BOSWELL—Did you endorse that for the use of timber harvesting?

Mr Early—We took a question on notice on this from Senator Colbeck earlier and we did have a discussion about this previously as to the nature of the logging. The issue is the intensification and the use of a new type of logging since the Ramsar listing.

Senator BOSWELL—Are you saying that the method of logging has changed since the listing date?

Mr Burnett—Yes.

Senator BOSWELL—Therefore, the endorsement ceases to be relevant because the method has changed?

Mr Early—It is not an endorsement. It is just that we are concerned about intensification of practices having an adverse impact on the Ramsar site.

Senator BOSWELL—Yes, but there must have been something. You gave it the tick and now you are saying that they cannot use it. Something must have changed and you are saying it is intensification.

Mr Early—Yes. Intensification is what we are concerned about.

Senator BOSWELL—So, logging has become more intense since 2003.

Mr Early—Yes.

Senator COLBECK—Is there more timber being harvested than there was when the wetland was first nominated—if that is the right term—or ratified?

Mr Burnett—That would be our understanding.

Senator COLBECK—So, there is more timber being harvested since the ratification of the site as a Ramsar wetland?

Mr Burnett—Yes.

Senator COLBECK—Is that part of the evidence too?

Ms Webb—We have obtained quite a deal of information from Forests NSW, as Mr Burnett previously indicated. We are still trying to work through the actual yield amounts. It is a little hard to say because the Ramsar site does not match up exactly with the forest sites. We could probably take that on notice, but I cannot give you a definitive answer.

Senator BOSWELL—If you say something is more intensively logged then you must have some evidence of it.

Ms Webb—We mean ‘intensification’ in the sense of the use of the Australian group selection thing where it is having a more intense impact in the places where the logging is happening.

Senator BOSWELL—It is not that they are taking more timber off it? If you are not taking more timber off it then how else could it be intensified?

Mr Early—It is the way it is being taken.

Senator BOSWELL—What are they doing wrong, in your opinion?

Mr Early—We have been through all of this. Essentially the AGS method is effectively clear-felling in smaller areas.

Senator BOSWELL—Were they doing that in 2003?

Ms Webb—They may have commenced doing it in a few sites, but they had only just commenced at that time.

Senator BOSWELL—Have they changed the method of logging since 2003?

Ms Webb—Yes.

Senator BOSWELL—That can be disputed. Mr Burnett, you said before the parrot was not the only reason or the only species that was under threat. What other species are under threat?

Mr Burnett—There are about 24 of them. I do not know that I can list them all for you.

Senator BOSWELL—Can you list some of them?

Mr Burnett—Yes. Ms Webb will read some of them out.

Ms Webb—The Ramsar site provides a habitat network for the Australasian bittern, the superb parrot, which has been mentioned, the regent honeyeater, the swift parrot—

Senator BOSWELL—What is a bittern? Is the swift parrot the superb parrot?

Ms Webb—No, it is not; it is a different species—the painted snipe, great egret, cattle egret, sharp-tailed sandpiper, greenshank, marsh sandpiper, Latham’s snipe, white-throated needle-tail, forked tailed swift, glossy ibis, Caspian tern, red-necked stint and the white-bellied sea eagle. There are also some fish species and reptile species.

Mr Burnett—Some of those are migratory species as well as threatened species.

Senator BOSWELL—Are you able to provide us with a copy of that list?

Ms Webb—Yes, we can provide that.

Mr Burnett—We will take that on notice.

Senator BOSWELL—I understand there is a group of people down there called the ‘superior parrot group’ that count parrot numbers. They say the parrot numbers have increased by 50 per cent from 2000 to 2008. Are you aware of this study?

Ms Webb—I am not sure if it is that study. We have certainly have had one report of an increase of superb parrot numbers. The issue is a different location. There is some suggestion that they are converging into smaller areas so that in particular sites there definitely is an increase in numbers. That is because the habitat has been reduced.

Senator COLBECK—Is that within the report?

Ms Webb—Yes. The ecologist did deal with matters relating to the superb parrot.

Senator BOSWELL—Is the department aware of any study that shows a decrease in population of the superb parrot in the central Murray red gum forests?

Mr Burnett—We will take that on notice.

Senator BOSWELL—I would have thought that would have been something you would have been aware of. I am going to ask this question: is the department aware of the survival of the Cummeragunja Aboriginal settlement of about 100 people totally dependent on Forests NSW licences held by the Ulunja Aboriginal Corporation, and as a sponsor for the community development employment program? Do you take that into consideration or are you just worried about the parrot?

Mr Burnett—The minister has asked us to be extremely mindful of jobs as well as trying to protect the environment.

Senator BOSWELL—Are you aware of the 100 Aboriginal people?

Mr Burnett—I am not personally aware of the situation of those people, no.

Senator BOSWELL—Come 31 May, which is three days away, logging will still continue?

Mr Burnett—Yes.

Senator BOSWELL—Did the New South Wales National Parks and Wilderness Society make an application to you to cease logging?

Mr Burnett—No. As we explained before, the National Parks Association of New South Wales made an allegation to us in the middle of last year and provided supporting material. Their view was that the logging was having a significant impact on matters of national environmental significance. In other words, they alleged a breach of our legislation or a noncompliance with our legislation. We have been looking into that and discussing it with Forests NSW since the middle of last year.

Senator BOSWELL—Did that trigger the decision that the minister took to lodge a cease-harvesting order against Forests NSW? Was that the trigger?

Mr Burnett—The minister has made it clear that he did not issue a cease-harvesting order.

Senator BOSWELL—Was that the trigger for your involvement? What triggered your involvement?

Mr Burnett—Our involvement was triggered by the complaint lodged by the National Parks Association.

Senator BOSWELL—You would not have done anything without that complaint; that was the trigger?

Mr Burnett—No. That is not necessarily the case. It just so happens that they were the people that put information before us that triggered our involvement.

Senator BOSWELL—What about the Wilderness Society? Did they also lodge a complaint to you or was it a joint New South Wales Parks and Wilderness Society complaint?

Mr Burnett—We do not think so, but we can take that on notice.

Senator COLBECK—Is there any socioeconomic modelling that has been done or any work that has been done to get an assessment of the economic impact in the region as part of this negotiation between the Commonwealth and New South Wales? If you are considering all of the issues, what is the basis for that consideration?

Mr Burnett—We have some information available to us. We have not commissioned any economic modelling.

Senator COLBECK—I just wondered whether you might have got BRS or one of the agencies that does that sort of work, whether it is you or the New South Wales government. I am not asking who is doing it, but whether it is being done as part of this process. If you are considering the environment and the communities, what are you basing that information on? You have some reports on one side. Is there anything being prepared on the other?

Mr Burnett—It is information supplied by Forests NSW.

Senator COLBECK—Are you not getting anything independent to verify that?

Mr Early—Not at this stage, although we may at some time in the future.

Senator COLBECK—I hope we do not have to wait too far into the future to get the thing sorted out.

Senator BOSWELL—When you got the report from the New South Wales Parks Association, and whether you got it from the Wilderness Society or not, did you critically examine the validity of the issues addressed in the report, particularly in relation to jobs, timber product values and the social impacts?

Mr Burnett—Yes. We do not take this kind of complaint at face value. The point of our investigation is to make our own assessment.

Senator BOSWELL—How do you balance the jobs, people's livelihoods and the Aboriginal community? By what method do you balance that out against the environment? How do you balance it?

Mr Burnett—This is jumping ahead, because it assumes that the matter has been referred and that the minister is considering it under the act. When that happens the act requires the minister to take into account economic and social as well as environmental matters. In other words, the objectives of the act or the objects of the act are built around the concept of ecologically sustainable development and the minister is required to take all of those things into account.

Senator BOSWELL—There is no 1,000 jobs equals 10 parrots?

Mr Burnett—No. It is a set of general principles. It is ultimately a matter of ministerial judgement and discretion.

Senator BOSWELL—It seems that parrots will be put on a higher perch than jobs, but that is what happens. There are a lot of people who are extremely worried about their jobs and real estate values. I have seen this happen in places that have been closed down. Their houses end up worth about 30 grand. They are marooned in the place. They cannot sell their houses and then they just end up on welfare because they cannot shift and are stuck in an area. Thank you very much.

Senator IAN MACDONALD—Could you explain to me the difference between the parrot decision—if I can call it that—and the situation in the Mary River where the endangered cod, lungfish and turtle are facing real problems?

Mr Burnett—That is a hard question to address. They are very different situations. The one we have just been discussing deals with an allegation of noncompliance with the act and our subsequent investigation into that allegation. It has led to discussions and negotiations between the two governments and they are ongoing. The situation with the Mary River case, as you know, is a referral under the EPBC Act of a proposal to construct a dam and the subsequent assessment of that proposal.

Senator IAN MACDONALD—Did not Minister Garrett shut down an operation in the forests?

Mr Burnett—No.

Senator IAN MACDONALD—Not as yet.

Senator Wong—We have just spent some time confirming that that is not the correct analysis of the situation.

Senator IAN MACDONALD—Have you received complaints from environmental groups and scientific groups about the endangered lungfish in the Mary River—plus the turtle and the cod?

Mr Burnett—Complaints about the lungfish?

Senator IAN MACDONALD—About activity in the Mary River system that might impact upon its future?

Mr Early—Are you talking about the Traveston Dam?

Senator IAN MACDONALD—Yes.

Mr Early—That is in an assessment process. That is part of what is being considered at the moment. Clearly, we have had lots of opinions about that matter.

Senator IAN MACDONALD—I understand there is still work going on in the Mary River Valley. It is said to be preliminary investigative work, but work that could be having an impact upon the ecology of the river. Have you not had any complaints about that?

Ms Webb—We did have one complaint about some early work being done and one of my compliance officers went up to have a look at it. We formed the view that the small amount of work that was being done was not having a significant impact. That is the only incident that I am aware of.

Senator IAN MACDONALD—How long ago was that?

Ms Webb—That was either towards the end of last year or early this year. I can confirm that date for you.

Senator IAN MACDONALD—You have had no complaints that not work on dam construction but work on investigative engineering is still occurring?

Ms Webb—No, not since that incident.

Senator IAN MACDONALD—Are you aware of media reports of the Queensland Premier assuring people that she is going ahead with the Traveston Crossing Dam?

Mr Burnett—Yes.

Senator IAN MACDONALD—You are aware of those reports. Have they been investigated by the department or has the minister expressed concern to you about this commitment to go ahead when it has not got anywhere near the assessment process yet?

Mr Burnett—We do not understand there to be any allegation in the media or otherwise that the construction of the dam has started or will start unless and until the proper approvals are obtained.

Senator IAN MACDONALD—I understand that there is provision in the act for a 10-day public submission period once the minister has considered the Queensland Coordinator-General's report on the proposed Traveston Crossing Dam. Is that correct?

Mr Burnett—No. The minister has an option of initiating an additional period of public consultation. I think it would be 10 days, if he did initiate that. This is in relation to any matter that is under assessment. The normal process is that there is public consultation on the draft environmental impact statement and then the department writes the minister a recommendation report and the minister makes his decision. He does have an option of initiating an additional period of public consultation at that late stage. In other words, when there has already been the main round of public consultation. That is something that environment ministers have done on occasion, but it is not done very often.

Senator IAN MACDONALD—This is an instance where there is great public interest. There was a quite lengthy environmental investigation process and responses were made to that by the perpetrators of the impact assessment, which is the Queensland government in another form. That has been assessed by the Queensland government in one form or another.

Having seen the objections the Queensland government will then report on those objections and make an application to the federal minister. Is that correct?

Mr Burnett—That is broadly the process.

Senator IAN MACDONALD—What could be done to urge the minister that the proponent in one name or another is also the assessor in one name or another, and therefore an independent inquiry commissioned by the federal minister is appropriate in this instance? I understand there is an ability to do that.

Mr Burnett—You are asking me for advice.

Senator IAN MACDONALD—Firstly, can you confirm that the minister does have an ability in situations such as I explained in Queensland, and other situations as well, to commission his own independent assessment of the environmental impact statement?

Mr Burnett—Yes. The minister does have the capacity to seek independent advice on any aspect of the assessment in which he has his own concerns. As I mentioned before, he also has the capacity, which is used occasionally, to have an additional period of public consultation right at the end of the process before he takes his decision.

Senator IAN MACDONALD—Can you advise me or give me any information on what criteria the minister would use to determine whether this 10-day period would be allowed? I would preface your reply by saying that a number of very concerned groups of the community have called upon Minister Garrett to do that, but they indicate to me they are unsure of Minister Garrett's approach to that. I am just asking if you are aware of what the criteria are that might enable Minister Garrett to do that assessment process.

Mr Burnett—I would have to look up the legislation. I am not even sure whether any criteria are prescribed.

Senator IAN MACDONALD—You said it has been done occasionally.

Mr Burnett—It has been done occasionally, yes.

Senator IAN MACDONALD—There must be some sort of criteria mentioned by whoever did it in the past on why they have done it?

Mr Burnett—I would have to take it on notice.

Senator IAN MACDONALD—Could you do that for me, please? Is it normal that the assessing authority for the impact statement is the proponent?

Mr Early—That is a bit of a loaded question, if I might say so.

Senator IAN MACDONALD—Unload it for me, then.

Mr Early—Queensland Water is the proponent. The Queensland coordinator-general is the assessor. They are different people in different organisations. They both belong to the Queensland government, admittedly, but that is the way environmental assessment is done in Australia. Quite often state government authorities are proponents for major projects that are assessed by other parts of the government. It happens in the Commonwealth as well. We assess Defence proposals or the proposals by the department of finance, deregulation et cetera. So that is standard practice.

Senator IAN MACDONALD—I think you concede that the shareholders of Queensland Water Limited are two ministers in the Queensland government who then appoint the coordinator-general and the coordinator-general answers to those same ministers in cabinet. I am not suggesting that you are seriously suggesting that it is an arm's-length process. It is one element of the Queensland government dealing with another element of the Queensland government.

Mr Early—That is the way we do environmental assessment in Australia, in all states and territories.

Senator IAN MACDONALD—Perhaps we all need to look at that again. I do not attribute blame to anyone in particular there, but perhaps we all need to. When the Queensland government—

Senator Wong—There are a number of matters that also occurred under the previous government and with the previous environment minister where these sorts of situations would arise. It is not unusual.

Senator IAN MACDONALD—You cannot help yourself, can you? I acknowledged to Mr Early that it was 'we all'—'we' meaning our side of the fence. I was particularly not blaming you or Mr Garrett, but you cannot help yourself, can you? You have to make a political issue out of something that was not a political issue.

Senator Wong—I would make the point that there would be a number of the matters, including some of the ones that Senator Colbeck and Senator Boswell were asking about, where you then have some different process of regulating, for example, forestry if we went along the path you suggested.

Senator IAN MACDONALD—I am not sure whether you are whispering to show that I am going deaf or whether that is part of the presentation—

Senator Wong—I was not intending to whisper.

Senator IAN MACDONALD—to sound like you are serious about something. Can you say that again?

Senator Wong—I am simply making the point that, for example, in relation to issues such as forestry—the issues raised by Senators Boswell and Colbeck, I think, while you were out of the room—the sort of process that you are flagging would envisage some other body regulating forestry within state governments.

Senator IAN MACDONALD—That may all be a nice debate, but I am not sure what you are talking about and I am not really interested. I was talking to Mr Early about a review. But let me get back to the questions that I am asking. Are you aware that the Queensland government has spent an enormous amount of money and an enormous amount of political capital, with the support, I might say, of the Greens political party, who pretend that they are opposed to the construction of this Traveston Crossing Dam? Are you aware of that?

Mr Burnett—I am aware that they have spent a significant amount of money to date—yes.

Senator IAN MACDONALD—I will not ask you to comment on the political capital, but I think anyone who reads the papers could understand that. Is this the sort of criteria that

would require the federal minister to step back a bit and have a look at the veracity of the Queensland government assessing the Queensland government in a matter on which they spent millions of dollars and much political capital?

Mr Burnett—The minister has to do two things: he has to comply with the EPBC Act and be satisfied that he has all the information before him that he needs to make a decision under that act, and he has to be satisfied in his own mind with his own judgment. If the minister has concerns about any of the information that is before him, perhaps that it is inaccurate or that it has not been through due process, he has that discretion that we have mentioned before to commission further work and send it back to say, 'It's inadequate. I want more or better information,' or have that additional public consultation at the end. He has options available to him if he is not satisfied that the process has yielded a comprehensive and objective report before him.

Senator IAN MACDONALD—I think you have taken on notice that you are going to check whether the act provides any criteria, precedent or rules of the department that would assist people who are urging a 10-day public submission once the coordinator-general reaches his view. You are going to look that up for me. Can you remind me of the current process of the Paradise Dam and the fish ladders and the breach of Commonwealth conditions by the Queensland government? Where has that got to? As I recall, it is a private criminal—

Mr Burnett—There is a private court matter. We are not a party to those proceedings.

Senator IAN MACDONALD—Is it not a private court matter requiring the Commonwealth to back up its laws that say the Queensland government could only do the Paradise Dam if it complied with conditions which have not been met and, because the Commonwealth has not taken the Queensland government to court, a private group has had to take them to court for breach of Commonwealth conditions. Is that not the case?

Mr Burnett—The information I have—bearing in mind that we are not a party to this so we only have generation information—is that the Environmental Defenders Office Queensland are seeking on behalf of the Wide Bay Conservation Council a declaration and an injunction to remedy the alleged breach of approval conditions specifically in relation to the installation of a suitable lungfish transfer device. I think that is what you are referring to.

Senator IAN MACDONALD—You cannot seriously tell me that the Commonwealth has not made itself a party to that court action?

Ms Webb—We are having an ongoing compliance discussion with Burnett Water about resolving the issues. We are doing that not through a court action but through trying to redress the situation in a way that benefits the environment best. The lungfish transfer device is now working because there has been some more rainfall in recent months. Intensive study is being undertaken to determine how well that fish device is working and to get some assessment of the impacts on the lungfish in the current conditions, which will help us work out how they may need to retrofit the device to make sure it works under all circumstances if it does occur that the dam levels are lower again in the future. We are hopeful that that outcome may actually achieve what the injunction is seeking to achieve, that is, that the fish transfer device will work to the benefit of the lungfish.

Senator IAN MACDONALD—It is good to hear that we are working towards a resolution of the issue, which is always very important. But it leaves one with a great deal of doubt that any condition imposed upon the Queensland government, in whatever form, is likely to be complied with. That is the issue which I think this court case is all about.

Mr Burnett—I think this is a concern you have raised before. We have had this discussion before about our compliance pyramid—that even where there has been non-compliance we do not necessarily seek to move for some kind of legal sanction. In this case the non-compliance was fairly technical in nature in that the fish-way was installed but it could not operate because there was not enough water in the dam. It was an unforeseen situation.

Senator IAN MACDONALD—The condition was to put in a fish-way that worked. Anyone who has any idea of these things would think you would put in a fish-way that works when the river is in flood or when the river is in severe drought. Any normal person having those conditions imposed would do that. I am concerned that the Queensland government, in whatever form, thought itself above the law there. That really brings me back to the 10-day period and the independent assessment. How can you have any confidence that anything the Commonwealth minister conditions the Queensland government on is going to have any impact on the Queensland government? They will just build another fish ladder that might work in floods—sorry if there is a drought. Bad luck, lungfish, you disappear from the face of the globe and we will all lament it and say, ‘Gee, we should have looked at that beforehand.’ Does that not provide the department with a means perhaps for recommending to the minister that an independent assessment might be appropriate in this instance?

Mr Burnett—The minister will need to consider when the matter is before him—bearing in mind that this matter is not yet before him—whether he needs further information or whether there needs to be a further period of public comment. We will provide him with the best possible advice we can at that time.

Senator IAN MACDONALD—Are you able to tell me if the minister has visited the Mary River valley?

Mr Burnett—I believe he has. Ms Skippington may be able to assist you.

Ms Skippington—Yes, he has.

Senator IAN MACDONALD—Was it he or some other politician who then turned their back on the issue and was canoeing down the Mary River? Was he canoeing down the Mary River?

Ms Skippington—Not to my knowledge, but Minister Garrett did a field visit to the Mary Valley.

Senator IAN MACDONALD—He visited the site?

Ms Skippington—Yes, he did a field visit.

Senator IAN MACDONALD—A field trip? How intense was the field trip? Did he look at a lot of things?

Ms Skippington—It was a one-day trip. He met with representatives of QWI, which is the Queensland Water Infrastructure group. He also met with representatives of community groups who oppose the dam.

Senator IAN MACDONALD—He was too clever to have expressed any view, I guess, at that stage?

Ms Skippington—It would be inappropriate to express a view.

Senator IAN MACDONALD—It would be, but did he realise that and did not express a view? That is what I am really asking.

Ms Skippington—He was there to listen.

Senator IAN MACDONALD—So he did not express any view?

Ms Skippington—He did not express a view.

Senator IAN MACDONALD—I am delighted to see that everyone is focused on that. I think I have written to Mr Garrett about the 10-day period. If I have not, then take my questions here as an urging that the 10-day public submission period should be addressed. I appreciate World Heritage is not part of your area—is that right?

Mr Burnett—That is right.

Senator IAN MACDONALD—But does the regulation of Cape York come into your area?

Mr Burnett—No.

CHAIR—We are still on the EPBC Act here.

Senator IAN MACDONALD—I am just wondering what part the EPBC Act plays in any move to register Cape York as a World Heritage proposal.

Mr Burnett—The EPBC Act provides for the protection of World Heritage areas, but it would not apply unless and until an area was included on the World Heritage list. I think that is right.

Senator IAN MACDONALD—The EPBC area of the department has not yet been called upon to provide advice in relation to the World Heritage listing?

Mr Burnett—No.

Senator IAN MACDONALD—That is a pity because I had some questions I was trying to squeeze into the wrong program. I will put some questions on notice, because I know the Indigenous people up there are petrified about the World Heritage listing. I also note that Professor Wiltshire, who has had a lot to do with that area, says that our bid for the UN Security Council is now kaput because the current government has not consulted Indigenous people in the proposed recognition of that.

Senator ABETZ—So the Governor-General's trip to Africa has been a complete waste.

Senator IAN MACDONALD—A complete waste.

CHAIR—I propose that we break now rather than starting another discrete area of the act.

Proceedings suspended from 3.41 pm to 4.02 pm

Senator ABETZ—I refer the minister and departmental officials to Senate question on notice No. 1226, which I lodged on 16 January 2009.

Ms Kruk—Gunns?

Senator ABETZ—You got it in one. This will be a mix of questions. I assume that some will be answerable only by the minister or will need to be taken on notice by the minister; but let us get started. In Senate question No. 1226, (2) asks:

What time to the nearest 15 minutes was this call made.

That was the phone call to a Mr Bob McMahon. The answer provided by the minister was not to the nearest 15 minutes but within an hour. Am I to believe, Minister, that Minister Garrett and his office are unable to specify to the nearest 15 minutes when that telephone call was made?

Senator Wong—No. I suspect that what you are to believe is that this is the answer that has been provided.

Senator ABETZ—I know that, but it did not respond to the question that was asked.

Senator Wong—I have just been handed the answer to question 1486 as well. Do you have that?

Senator ABETZ—It is funny that you should mention that because, yes, I have that as well.

Senator Wong—The answer on that point is: ‘The exact time, duration and details of the telephone calls were not recorded and it would be an unreasonable use of resources to obtain and analyse telephone records to identify the exact time and duration of specific calls within the period of one hour specified in my earlier answer.’

Senator ABETZ—We will get to that. You are defending the minister there; that is fine. Keep in mind that this question was asked 11 days after the telephone calls were made. It is correct, isn’t it, that the telephone calls we are referring to were made on 5 January 2009?

Mr Burnett—Yes.

Senator ABETZ—So, within 11 days, the minister has memory fade and is unable to tell us what exact time or around about what time he made that phone call.

Senator Wong—They are your words, not anyone else’s words, But I could say to you that I think I would have difficulty recalling, a week and a half ago and precisely within a 15-minute time frame every telephone call that I made. If you could do that, I would think it is quite an extraordinary achievement or that you are not making very many phone calls.

Senator ABETZ—Chances are that you might be right on a number of points in relation to your speculation there.

Senator Wong—Because your intellect is so extraordinary; is that right? I will put that to your party room.

Senator ABETZ—No. I was referring to the lack of telephone calls that I was getting. I was being self-effacing in saying that. But the suggestion was that he could not tell us what the duration of the phone call was because no record was kept of the duration of the phone

call. I would have thought that, after 11 days, you would have a memory that it was about five minutes or about half an hour; but to completely obfuscate and not provide any answer is, with respect, Minister, unacceptable. I know that you personally are not responsible for these answers; therefore, I ask you, on notice again, to ask the minister to give us his best estimate as to the duration of that telephone call, please.

Senator Wong—I will take on notice that question again. But, just to be clear, I suspect that the answer will reflect the two answers that you already have been given on this issue.

Senator ABETZ—Do not hammer that point too much, Minister, because we will get to those answers later. In (6) of question No 1226, I asked:

Did the Minister personally telephone anyone from Gunns Limited to advise them of his decision prior to the announcement.

In (6), his answer was:

No. On the Minister's instructions, in the hour immediately prior to the press conference of 5 January 2009 the Department contacted Gunns Limited ...

We now know that it was pretty well exactly 15 minutes only before the public announcement. Mr Burnett, did you make the telephone call?

Mr Burnett—Yes.

Senator ABETZ—I think we established that last time. Were you given a specific instruction by the minister not to telephone Gunns more than one hour before the public announcement?

Mr Burnett—No.

Senator ABETZ—What instructions were provided to you? Please tell us with some exactitude and do not just read out the minister's very vague answer, because I will then drill down further. This is question (6) and answer (6).

Mr Burnett—The instruction, as it says here, was to advise Gunns once I had received a copy of the signed letter.

Senator ABETZ—When did you receive the signed letter?

Mr Burnett—It arrived in my email inbox at 10 minutes to 12—

Senator ABETZ—At 11.50?

Mr Burnett—at 11.50—but I did not see it until just after noon and I cannot tell you the exact time.

Senator ABETZ—Did the minister's office alert you, saying that an email was about to come?

Mr Burnett—Not to my recollection.

Senator ABETZ—So was it just fortuitous that you checked your email at about 10 past 12? If you had checked your email not at 10 past 12 but at 12.45, Gunns would have heard the announcement courtesy of the news on Sky or the ABC.

Mr Burnett—I was expecting the letter because I had discussed it with the minister's office earlier in the morning.

Senator ABETZ—So you were anticipating—

Mr Burnett—I was anticipating receiving the letter. As I recall, I was in a meeting that did not finish until approximately 12; I checked my email box and there was the letter.

Senator ABETZ—Mr Burnett, there is no criticism whatsoever of you. I think anybody would accept that your receiving the instruction and acting upon it within 30 minutes of receiving it is as timely as you can get; there is no criticism of that. Minister—undoubtedly you will have to take it on notice—why did the minister provide this letter at such a late stage to Mr Burnett for passing on to Gunns? This occurred in circumstances where prior knowledge requiring a statement to the Stock Exchange, which happened later in the day, was a very important element. Giving them, in effect, 15 minutes before the announcement did not give them, I would suggest, sufficient time to make a public statement. I would be interested to know why the minister's office emailed it to Mr Burnett at only 11.50 that morning and why not earlier to allow the proponent of this proposal more time to be able to respond to the share market.

Senator Wong—I will take that on notice. That was a very long series of questions, which contained a number of your assertions. But, as I understand it—just so we can be clear—you want me to take on notice why the department received the letter at around midday.

Senator ABETZ—At 11.50 am, we have been told.

Senator Wong—Yes. What was the second part of the question?

Senator ABETZ—Why was there the delay, given that the minister's office must have known or been aware that some prior knowledge, other than 15 minutes, would be needed to get a statement out to the Stock Exchange, which was in fact necessary and done later that day? Please take that on notice, as I accept that you cannot answer that on behalf of the minister now.

In relation to (8), I asked:

Did the Minister telephone, contact or in any other way notify anybody else of his decision before the announcement at 12.30 pm; if so, for each instance: (a) who was contacted ...

The minister's office has not told us any names whatsoever in the answer, which states:

In the hour immediately prior to the press conference ... the Minister spoke to a number of persons who had previously made representations ... The exact time, duration and details ... were not recorded. In all instances the persons telephoned were advised that the information was confidential pending the media conference—

et cetera. Minister, so that I can get this straight, can you take on notice if the term 'discussion' used in answer (8) is to be understood as—

Senator Wong—Hang on. Are we in 1226 or 1486?

Senator ABETZ—We are in 1226. You have tried to move me on, but I have resisted that temptation thus far and I am still on 1226.

Senator Wong—The point was that you were making assertions in relation to an answer where further detail had been provided on that issue. That was the point I was making.

Senator ABETZ—Yes, but we will get to that. Does the term ‘discussion’ in answer (8) suggest that all the persons—

Senator Wong—Hang on. I do not have ‘discussion’ in (8) here.

Senator ABETZ—In answer (8), you will see ‘discussion’ in the fourth line down.

Senator Wong—‘Of the discussion’.

Senator ABETZ—Yes, ‘of the discussion’. I assume that ‘discussion’ relates to each separate discussion and that there was not a conference call that included all the ‘persons’—plural. Could that be clarified for me? Please take on notice that there were a range of separate discussions and that they were not all part of a telephone hook-up. Of course, if they were part of a telephone hook-up, I would be interested to know the details of who the participants were.

Senator Wong—I will take that on notice.

Senator ABETZ—Thank you.

Senator Wong—But, Senator, you have been a minister, and I would think there would have been a great number of occasions when you had discussions with stakeholders and you would not have put the details of every single discussion into the public arena—nor would it have been appropriate for you to do so.

Senator ABETZ—But it is very interesting: I would have thought the ‘key stakeholder’ of this proposal might actually have been Gunns. The minister did not find the time to ring Gunns; however, we know, by virtue of somebody—Mr Bob McMahon—going to the media, that Mr Garrett had enough time to ring him in the hour before the public announcement.

Senator Wong—I understand that is your view about these events. I am simply making the broad—

Senator ABETZ—It is not a view; it is a fact.

Senator Wong—No; your view about Gunns and the telephone call to Gunns.

Senator ABETZ—You do not think they are the key stakeholder—

Senator Wong—I am not going to engage in this; I am making a broader point—that is, as a minister, as you know, a great many discussions are had. Some but not all of them are in public, and that is not an unusual or untoward series of events.

Senator ABETZ—Perhaps I can put this to you: when I asked specifically about Mr Bob McMahon, because he publicly identified himself as a recipient of the phone call from Mr Garrett, Mr Garrett knew—I was about to say ‘he knew he was fingered’—that the issue was out in the public arena. So, when I asked about Mr Bob McMahon, he was willing to say:

The purpose of the Minister’s telephone call was to inform Mr McMahon of his decision in respect of the Gunns pulp mill Environmental Impact Management Plan.

He had no problem telling us about that one because he had already been exposed as having rung this man. Given his answer, I now want to know who else he rang in that one-hour period. The minister has identified Mr Bob McMahon; why can't he identify all the others?

Senator Wong—I will take the question on notice.

Senator ABETZ—Thank you, because it has now been asked twice on notice.

Senator Wong—But again I say to you that there are occasions, for example, where meetings held with ministers are public and, in that case, it would be made public. But, having been a minister previously, you know that is not always the case. Not everybody wants to conduct their discussions with ministers in the glare of the media.

Senator ABETZ—I can understand that.

Senator Wong—You accept that proposition, don't you?

Senator ABETZ—But the minister has indicated that he has rung stakeholders and then indicated, I think in a statement to the parliament, that these were 'key stakeholders', which we will get to a little later. Question (9) asked:

Did the Minister's office telephone, contact or in any other way notify anybody else of the Minister's decision ... if so, for each instance: (a) who was contacted ...

In answer (9), we are told:

... calls were made by a member of the Minister's staff to senators and members ...

I suppose the names of which senators and members he rang similarly have to be protected from public knowledge. Interestingly enough, he said that he rang senators and members 'with a particular interest in the matter'. Madam Chair, you would be surprised to know that I did not figure in that categorisation as being a senator with a particular interest in the Gunns pulp mill. I can tell you that that was news to everybody on the Liberal side of politics and on the Labor side, to the Greens and to the Wilderness Society. Nobody believes that this is the true explanation because, if that were the category or the basis on which the minister's office made calls, I would anticipate that I might have been the beneficiary of one.

Senator BIRMINGHAM—I would hate to see how many questions all the others have asked.

Senator ABETZ—Exactly. So I put on notice again—

Senator Wong—Why you were not called—do you want that put on notice?

Senator ABETZ—I put on notice again a request that the minister identify the senators and members that his office rang. It will be interesting to know which senators and members are deemed to have had a particular interest in the pulp mill.

Senator Wong—Okay.

Senator ABETZ—Please take that on notice. Thank you very much.

Senator Wong—I will take that on notice. I do not suspect that it is going to take this very far.

Senator ABETZ—Minister, you will recall last estimates.

Senator Wong—I may not actually, but that is fine.

Senator ABETZ—I can understand why you would not want to recall last estimates, but I would invite you to recall them. In fact, I raised this question then, saying that I had asked it on 16 January 2009 and that the answer was not before us on 24 February 2009, which meant that it was overdue. Of course, I had asked questions on notice in anticipation of asking follow-up questions. It is a fact, isn't it, that the answers arrived in the minister's office on 13 February, 11 days before the last estimates? That is correct, isn't it, Mr Burnett?

Mr Burnett—That is what the minister's answer says.

Senator ABETZ—Yes, that is what the minister's answer says. Minister, you were at the table and I was asking you—I have no doubt that Mr Garrett's office was listening in to my question—where the overdue answers to my questions on notice were. You appropriately apologised and said that you did not have an explanation. I accept that from you, Minister, but I do not accept that Minister Garrett's office were not listening in and—what is of great concern—that they did not feel obliged to tell you that the answers were sitting in the minister's in-tray for 11 days. Then, miraculously, the minister signed the answers after the estimates and gave them to the Senate Table Office on 25 February. Is this Operation Sunlight at its best?

Senator Wong—As somebody who sat on that side of the table, as you know, for a great number of estimates hearings, perhaps I can say that that kind of delay is very short. When in opposition, I had answers delayed for months and months in ministers' offices—

Senator ABETZ—Minister, I have just got some back from you that are six months old—

Senator Wong—including Minister Hockey's office.

Senator ABETZ—so be careful.

Senator Wong—I am sure that you will raise those with me as well.

Senator ABETZ—I will tomorrow.

Senator Wong—I am just making the point that we get a great many questions and we seek to answer them as promptly as possible. Sometimes they are not answered in the time frame sought by the Senate. I make the point that, when I was on that side of the table in the areas of industrial relations and employment, many questions, in fact, remained unanswered, particularly when you had control of the Senate. We are, I think, making a significant effort to respond. I can take on notice—I think the question is—why the answer was in the office for 11 days. Is that right?

Senator ABETZ—Yes; and why was it not brought up during Senate estimates or why wasn't I notified that I might be able to have it during the course of the estimates? The people in Mr Garrett's office must have known about my questioning on the day and they would have known those answers were sitting in the in-tray. In general terms, I accept what you say about questions on notice; some take a lot of detailed answering.

Senator Wong—Sometimes, to be frank—I am sure that this does not apply to the people at the table—the answers provided by departments need additional material.

Senator ABETZ—That might be so, so let us try to get an answer as to why there was the delay.

Senator Wong—The delay of 11 days.

Senator ABETZ—It is more than 11 days, I think—in fact, it may have been less than 11 days.

Senator Wong—Yes, it was.

Senator ABETZ—From the timetable of 30 days, those answers would have been due on 17 February, so there was a week's delay—and I will give the minister the benefit of the doubt. But I am concerned that the department provided answers and—it would seem to any objective observer, I think—they sat in the minister's in-tray and then they were dropped the very day after estimates had finished, which was to deny me the opportunity to pursue these questions. If I get a really good answer to that, Minister, I will not feel so paranoid in relation to the delay.

CHAIR—Senator Abetz, I am sorry to interrupt your flow. However, I neglected at the beginning of this session to bring to the attention of officers and other senators who are interested in the proceedings of this committee that, during the afternoon tea break, the committee agreed that it will commence examination of outcome 2 at no later than five o'clock and it will commence examination of outcome 4 at seven o'clock, after the conclusion of the dinner break.

Senator ABETZ—Thank you very much, Chair. Minister, I take you to question No. 42, which was taken on notice at the last estimates.

Ms Kruk—Senator, would you mind waiting while we get hold of the question?

Senator ABETZ—That is fine.

Ms Kruk—Thank you.

CHAIR—Senator Abetz, I would mention that the committee's view is that we should wind this section up by five o'clock, and we do have questions from Senator Siewert and Senator Birmingham to fit within that period of time.

Senator ABETZ—Chair, I was here at 9 am, asking what a convenient time would be for me to fit in. I said that I would be happy to go first, last or—

CHAIR—I am not stopping you from asking questions, Senator Abetz.

Senator ABETZ—All right. Let us keep going. The problem is that the minister now knows that, if she winds down the clock, it will frustrate questions.

Senator Wong—I have to respond to that, Senator, and you have invited it. I walked in here at two o'clock—

Senator ABETZ—Here we go. It is atrocious.

Senator Wong—Atrocious?

Senator ABETZ—Yes, atrocious.

Senator Wong—I came here at 2 pm. You were behind schedule, and that is fine; senators can ask questions in whichever area they want to. That was the first time I entered the room. I think any so-called delay or narrowing of time at this juncture is not a consequence of my having said anything.

Senator ABETZ—No; but I said that you might engage in it and you just have. Question No. 42: I want to know why the minister has not answered—

Senator Wong—He has answered it.

Senator ABETZ—The answer I got is:

The answers to Senator Abetz's question on notice of 16 January 2009 were provided ...

No explanation was given. I was just told, 'Yes, you did receive them after estimates; it's your bad luck.' Unfortunately that is indicative, I might say, of an attitude in the minister's office.

I take you now to question No. 1486, in which I repeated all the questions I had asked previously. For example, in answer to question (4), whether we could be provided with the telephone conversations to the nearest 15 minutes, I was told in part: 'It would be an unreasonable use of resources to obtain and analyse telephone records.' What research was done in relation to that answer? Was the department involved in providing the detail of that answer?

Ms Webb—We have some experience in obtaining telephone records as part of our normal investigation operations, and it can be quite complex to get them from a telephone communications provider. You have to demonstrate that you are doing it in the course of conducting an enforcement action or are concerned about a contravention of the law, so we did not think that we had any grounds on which we could request the relevant telephone service provider to give us those records. The alternative was to try to find out where the accounts for the telephone were paid, but we did not see how we could go about doing that.

Senator ABETZ—No effort was made, I would suggest to you. Do you know what I did in response to this?

Senator Wong—Senator, you can make that assertion, but that is not Ms Webb's evidence.

Senator ABETZ—What efforts were made to get the telephone numbers?

Ms Webb—We made an assessment of what we would have to do if we wanted to get them and we determined that it would take quite a lot of time—

Senator ABETZ—So no actual effort was made to try to get the telephone numbers and the duration of the calls. That is correct, isn't it?

Ms Webb—That is correct, as we did not—

Senator ABETZ—Do you know what? My staff rang Telstra and they told us to ask, 'Can you advise what telephone calls were made out of Senator Abetz's office between the hours of 11.30 am and 12.30 pm on 5 January 2009?' Within 24 hours, by email, I had the answer. Can the department and the minister's office go back and actually make an effort to provide the information that is sought? We are not being told the names of the people who were rung and now we are being told it would be—what is the term?—'an unreasonable use of resources', when such information was able to be obtained by my office by a single phone call from my

office. With the department's resources, I would have thought that might have been achievable. I invite the department to reconsider and to take on notice the possibility of obtaining the times and telephone numbers. The chances are that most of those calls emanating from the minister's office would have had the prefix 0363, 0362 or 0364, going into Tasmania.

In questions (8) and (9), I repeated my requests for the detail of who was rung—surely, they must be known. Just in case Mr Garrett's memory has faded, I refer to the ABC on 25 February 2009, where this Mr McMahon, a great source of information for me, was able to tell listeners: 'I received a phone call from Peter Garrett prior to making public his decision but then again so did a few others—a few other key stakeholders obviously. Mr Abetz is a little ill-informed here. Obviously Gunns would have received plenty of calls.' Wrong; one from Mr Burnett. He continued: 'The Tasmanian Wilderness Society received a call, the lawyers for Forests, I believe the Greens.' So, if Mr Garrett's memory has faded—just as he couldn't remember whether or not he voted when he was seeking election to the parliament—can we at least check whether he or his office rang these people or officers from these organisations so that at least we can get that straight?

Then interestingly, in the parliament, in response to an allegation from the last Senate estimates, he told us that he had rung 'key stakeholders' and this was 'usual process'. Can I ask: did he ring the National Association of Forest Industries, the Forest Industries Association of Tasmania, the Tasmanian Forest Contractors Association and Timber Communities Australia? I happen to know what the answer is, but I am not in a position to give answers. So I would like to know who the key stakeholders are—and I think we all know. Just out of interest, was the state government considered to be a key stakeholder in this proposal, or were the Greens considered to be a greater stakeholder in this proposal than the state government?

I move now to some issues that the department hopefully can assist with, and they relate to question No. 39 that I placed on notice. I thank the department for the information that they have provided. I am sorry; it is not question 39. I think there was a misunderstanding between us in relation to that: I was referring to the Batley report, and I think you were referring to the independent expert group. I turn to question No. 40. That report by Mr Batley—if I can call it a report; I think the document is entitled 'Recommended guideline trigger values for pulp mill contaminants in Commonwealth waters'—is dated 12 February 2008. Is that correct?

Ms Webb—Yes.

Senator ABETZ—When did the department receive that document?

Ms Webb—My recollection is that we had one copy of it in about July 2008. At the time it was not considered by the department, because we were dealing with other parts of the environmental impact management plan. It was not until about October/November that we started dealing with these issues about water quality. I think Graeme Batley sent us a further copy at that point.

Senator ABETZ—When was that then referred to Gunns? This was a vital document for the trigger levels. Interestingly enough, the trigger levels for any of the items have not changed since the document was prepared in February 2008. That is correct, isn't it?

Ms Webb—The answer to your question about when we gave it to Gunns is 28 November 2008.

Senator ABETZ—So this was within the Commonwealth's grasp for, what, some nine months before it was passed on?

Ms Webb—No. I think we got a copy of it in about July that year, 2008. But, as I said, we did not—

Senator ABETZ—All right. So that is, what, three or four months?

Ms Webb—But we were not dealing with the water quality issues in the plan at that time, so we just had it in our files.

Senator ABETZ—But time was ticking on, so why wasn't it passed on to Gunns for their comment?

Ms Webb—Because we were dealing with Gunns on other aspects of the environmental impact management plan.

Senator ABETZ—You cannot chew gum and walk at the same time?

Ms Webb—Gunns had not raised any issues about water quality levels with us; it was an iterative process—

Senator ABETZ—Yes, but you would have needed trigger levels.

Mr Burnett—This was a briefing note for the information of the independent expert group.

Senator ABETZ—I am sorry?

Mr Burnett—This was a briefing note from Dr Batley for the information of the independent expert group.

Senator ABETZ—That is right—

Mr Burnett—It was not prepared for Gunns.

Senator ABETZ—and didn't they inform the department?

Ms Webb—The independent expert group started to discuss the water quality issues only around November, so it became relevant in November.

Senator ABETZ—So it was gathering dust for four months or whatever number of months it is from July to November.

Ms Webb—It was in a departmental file, I think.

Senator ABETZ—I am sorry?

Ms Webb—Yes; I think it was just part of the larger range of information that we had dealing with it.

Senator ABETZ—The good news is that this report was signed off unanimously by the independent expert group. Is that right?

Ms Webb—This is Dr Batley's report.

Senator ABETZ—Yes.

Ms Webb—So it was not actually signed off; it is his report.

Senator ABETZ—Did it represent the views of all members of the IEG?

Mr Burnett—It was an input into the views of the IEG. You are asking, I think, what the advice of the IEG was to the minister.

Senator ABETZ—The very last line in your answer on notice to question No. 40 states:

The IEG's advice to the Minister in relation to proposed triggers and limits for Commonwealth waters in draft Module L represented the views of all members of the IEG

Mr Burnett—Yes.

Ms Webb—Yes, that is correct.

Senator ABETZ—The trigger levels—the figures or the numbers—in module L are an exact replica of what was in Batley's report. Is that correct?

Ms Webb—That is correct.

Senator ABETZ—That is correct as well. So the independent expert group signed off on the Batley report in relation to the trigger levels. Is that correct?

Ms Webb—They signed off on the trigger levels that were the same as those in the Batley report.

Senator ABETZ—And the CSIRO group that had the name 'Batley' on top of it also included a Mr or Dr Herzfeld. Is that right?

Ms Webb—Dr Herzfeld is a member of the independent expert group.

Senator ABETZ—I am sorry; thank you for correcting me. Certain people made a lot of fuss about a certain report that Mr or Dr Herzfeld—

Mr Burnett—Dr Herzfeld.

Senator ABETZ—Dr Herzfeld wrote previously about trigger levels because it was sought under freedom of information. That is correct, isn't it?

Mr Burnett—Gunns agreed to the release of that report.

Senator ABETZ—I am aware of that.

Ms Webb—I should just mention that his report is not about trigger levels as such. His report is about—

Senator ABETZ—Yes. However, it would be fair to say that that Herzfeld report, to use layman's terms, has been somewhat superseded or is now somewhat outdated, given the Batley report.

Mr Burnett—They are about different things.

Senator ABETZ—I know that they are about different things, but didn't Mr Herzfeld have, as assumptions, certain trigger levels in his report?

Ms Webb—Yes, he used some assumptions about—

Senator ABETZ—That is, trigger levels that he has not signed off on in relation to the IEG's assessment and module L, which means that he has reassessed the trigger levels.

Mr Burnett—No. As we explained last time, the trigger levels in the Herzfeld report were used by Dr Herzfeld for the purposes of demonstrating the hydrodynamic modelling and not for the purposes of saying, ‘These are the appropriate trigger levels.’

Senator ABETZ—But he did assume certain trigger levels.

Mr Burnett—He did use certain numbers, yes.

Senator ABETZ—So the Herzfeld report should never have been used by anybody to seek to assert what the trigger levels ought to be.

Mr Burnett—We did not use it for that purpose.

Senator ABETZ—I am not saying that you did, Mr Burnett, but certain people that sit up the other end of the chamber who I think call themselves the Australian Greens did that, very mischievously—and I refer to Senator Milne in relation to that. So the Herzfeld report should not have been relied upon as some scientific document setting trigger levels for the waters in Bass Strait. That is correct, isn’t it?

Ms Webb—He was not writing a report about trigger levels; he just used some trigger levels for his assumptions. That is correct.

Senator ABETZ—Yes, he used them as assumptions to then make comments. In fairness, those trigger levels that were assumed in his initial report bear no resemblance to those which he, as part of the independent expert group, has now signed off on. That is correct, isn’t it?

Mr Burnett—We will take your word for it.

Ms Webb—Yes, they are different—

Mr Burnett—We have not looked at them lately.

Senator ABETZ—Thank you. I think you have also told me that one good thing that the minister has done is to satisfy himself that those trigger levels in module L do not have to go back for reassessment to the independent expert group; all he is looking at is the hydrodynamic modelling. Is that right?

Mr Burnett—That is the gist of it. I do not have the exact words in front of me, but that is the gist of it. It is subject to the outcomes of the hydrodynamic modelling—I think he said words to that effect.

Senator ABETZ—Sorry?

Mr Burnett—I think he said words to the effect that the draft modules were agreed subject to the outcome of the hydrodynamic modelling.

Senator ABETZ—Yes. So we will not be revisiting the trigger levels?

Mr Burnett—We will not be revisiting anything that is not affected by the hydrodynamic modelling. Whether that means—

Senator ABETZ—Does that include trigger levels? Just say ‘yes’.

Mr Burnett—I would have to check.

Senator ABETZ—All right, take it on notice, but surely we can agree on that. Minister, would you ask Minister Garrett whether he appeared at a bushfire relief concert?

Senator Wong—I do not think I need to ask him that.

Senator ABETZ—I think we all know that he did.

Senator Wong—Yes, he was on the telly and the radio. It was a good concert, from memory.

Senator ABETZ—It has been reported to me that, from the microphone at that concert, he allegedly made comments about the pulp mill. I will not assert now what those comments were, but Triple J and a few others have commented on that, as I understand it.

Senator SIEWERT—Do you listen to Triple J, Senator Abetz?

Senator Wong—We are all reeling at that revelation.

Senator ABETZ—I am more with it than you might suspect, Rach. I am still backing you for leader of the Greens, Rach. So, if you want my support, you cannot say that I am not with it and do not listen to Triple J.

CHAIR—Have you concluded your questions, Senator Abetz?

Senator ABETZ—I would be obliged if you would ask whether the minister says that he made any comment about the pulp mill at that concert. Also, Minister, I ask you to pass on to him the need for him to be responsive to the questions asked as to who he rang and why. I have one final question: why did he consider the people that he rang, as he said in the parliament, to be ‘key stakeholders’ while all the people that he did not ring, including Gunns, clearly were considered to be non-key stakeholders? It would be an interesting exercise for him to provide an explanation as to his definition of ‘key stakeholder’. Thank you.

CHAIR—Thank you, Senator Abetz. Senator Siewert.

Senator SIEWERT—I want to move off EPBC. Senator Birmingham, do you have questions on EPBC?

Senator BIRMINGHAM—Yes.

Senator SIEWERT—Can I be given five minutes before five o’clock?

Senator BIRMINGHAM—Yes, absolutely. I will try to move swiftly. I have questions in relation to EPBC approvals for the Lower Lakes in South Australia and associated matters—and I am sure that you could all see that one coming from me. Firstly, for the proposed Wellington weir, has the EIS from the government of South Australia now been lodged?

Mr Burnett—No.

Senator BIRMINGHAM—Do you have any estimation for the timing of that lodgement?

Mr Burnett—We are expecting it shortly. Are you talking about the supplementary EIS that was finalised in the light of the public consultation?

Senator BIRMINGHAM—That is right, yes.

Mr Burnett—We are expecting it shortly.

Senator BIRMINGHAM—What is the time line for consideration, once you have received it?

Mr Burnett—It is 40 business days.

Senator BIRMINGHAM—It is 40 business days, once you have received it. You have said ‘shortly’; have you been given any indication of what that will be? ‘Shortly’ in estimates can sometimes be days, weeks or months.

Mr Burnett—‘Shortly’ is the information that I have.

Senator BIRMINGHAM—We will pursue that once you have it. For the opening of the barrages proposal, my understanding is that the comment on the guidelines for the preparation of the EIS closed on 16 February.

Mr Burnett—Yes.

Senator BIRMINGHAM—I assume that the department has since finalised those guidelines.

Mr Burnett—Yes.

Senator BIRMINGHAM—Have you had anything back from the South Australian government since the release of those guidelines?

Mr Burnett—No. South Australia is preparing the environmental impact statement.

Senator BIRMINGHAM—Again we will come back to that once we have some progress. I told you that I would be quick, Senator Siewert. I cannot quite remember whether the determination on the Lower Lakes irrigation pipeline was a controlled action.

Mr Burnett—It was a non-controlled action in a particular manner on 18 March.

Senator BIRMINGHAM—That was announced on 18 March; thank you for that. I do recall that the regulators for the Gawler channel—Finnis, Currency and around Clayton et cetera; I cannot remember where all of the regulators are located exactly—were also determined to be a non-controlled action. Please take me through some of the conditions, if any, that were applied when that decision was made.

Senator Wong—Criteria or conditions?

Senator BIRMINGHAM—Conditions.

Mr Burnett—This is from the minister’s decision document of 12 May. The first one is 1(a): a maximum of 27.5 gegalitres can be pumped from Lake Alexandrina to the pool created by the Clayton flow regulator. Do you want me to keep going and just read through them? There is half a page.

Senator BIRMINGHAM—Yes, please.

Senator Wong—This is all publicly available on the website. We are happy to read through it, if you want us to; I am just conscious of time for Senator Siewert.

Senator BIRMINGHAM—Perhaps you could give me the headline points.

Mr Burnett—I will try to give you the headlines. From 1(b), I think the key words are ‘ensure that an additional 50 gegalitres be provided to Lake Alexandrina within 12 months of the date of this decision’. 1(c) is basically compliance: providing written certification to us to the effect that it has been complied with. 1(d) says: ‘if the water level in the pool created by the Clayton flow regulator exceeds 0.7 metres AHD’—which is Australian Height Datum—‘all water above 0.7 must be delivered immediately into Lake Alexandrina or the Coorong.’

Condition 2 is essentially that none of the water that is extracted from the pool created by the regulator can be used for irrigation. Condition 3 says: 'acid sulphate soils must be managed during construction and re-wetting to ensure that there are no adverse impacts on matters of national environmental significance.' Condition 4 is about decommissioning the three regulators and removal by 6 May 2011. Condition 5 is that, if the South Australian Department for Environment and Heritage wish to operate the regulators for longer than this period, they must submit a further referral to our department by 1 December 2009. The final condition, No. 6, is that, as part of the decommissioning process, 'each of the regulator sites must be returned to their original (reconstruction) bathymetry'.

Senator BIRMINGHAM—Thank you very much for that. I appreciate your going through it and picking out the highlights, as such. Firstly, with the additional 50 gigalitres required, which I think was in 1(b), what definition does the department apply to 'additional'? My understanding is that, of course, the South Australian government already has certain water that flows into the lakes and that water is used to convey water past the extraction points for the Adelaide pipeline. What assessment is there of the baseline and what would 'additional 50 gigalitres' be defined as?

Mr Burnett—In addition to their existing allocation.

Senator BIRMINGHAM—I do not know that there are existing allocations to the lakes, though—

Mr Burnett—Or entitlements.

Senator BIRMINGHAM—or even existing entitlements to the lakes.

Mr Burnett—I will ask Ms Middleton if she can elaborate on that.

Senator BIRMINGHAM—I recall that, certainly in the last year, water has flowed into the lakes, but I do not know that it was an allocation or an entitlement for the lakes.

Ms Middleton—In terms of the arrangements that the South Australian government have for the water that is scheduled to flow into the Lower Lakes, they are required to purchase an additional 50 gigalitres. The South Australian government has verbally confirmed that they will have no problems with doing that, because they had to provide this as an undertaking as part of the decision in relation to the proposal.

Senator BIRMINGHAM—I am sure that the minister understands this issue well and truly, so I flag the importance there of ensuring that 'additional' is indeed additional to what water may have ended up in the lakes simply as a result of previous conveyancing decisions. I understand that the decommissioning time line by 6 May 2011, in and of itself, is the time line that the government has given, and that is fine. However, if they wish to go beyond that with the requirement to make application by 1 December 2009, that strikes me as an unusually short time line for the government to require them to reapply within. Given that quite clearly it will be operating for two years, potentially you are essentially saying, 'If they want to go beyond the two years, they have to reapply within six months.' What are the consequences if the government does not reapply within the six months?

Ms Middleton—The requirement to reapply within six months was so that the South Australian government had undertaken an assessment of the effectiveness of winter flows into

the weir pool and they could make a determination as to whether they wanted to continue to operate that weir pool beyond the date of this current approval. The reason why we set that time frame was to ensure that there was sufficient time to be able to more fully assess any longer term requirement for the weir pool to be in place.

Senator BIRMINGHAM—If the South Australian government lobbed up at the beginning of next year with a new application to have regulators in these spots, the department would still have to consider that application and, if it were an application to keep the current regulator there, you would still have to consider that application, wouldn't you?

Mr Burnett—I do not think so. This is getting into legal interpretation. They could make a new application outside of these conditions only to take an action. I do not think that leaving the existing ones in place is an action.

Senator BIRMINGHAM—I might throw some questions on notice around that. Very quickly: did the minister ever receive a reply to the letter that he sent to the South Australian government—I think it was to the Premier—inquiring about an integrated or a more integrated approach for these applications?

Ms Middleton—Yes.

Senator BIRMINGHAM—What did that reply say?

Senator Wong—I will take that on notice.

Senator BIRMINGHAM—Yes, if it is possible. Obviously all of the EISs and those sorts of documents are public documents when they are transmitted.

Senator Wong—I can say to you—not in relation to the letter but more broadly—that obviously there is a range of issues in relation to the Lower Lakes and not just in relation to the EPBC issues. I will take that on notice.

Senator BIRMINGHAM—Thank you, Minister. I doubt that you are aware of this, but EPBC reference No. 208/4465 relates to applications by Mr John Duggin to, I think, clear between 132 and 137 square metres of his land in order to build a fence and a dam access track. He has been told that is a controlled action and he seems to be having a war of correspondence with the department over it. Given the time, I am not going to go through lots of questions on that. It is in the region where these regulators, which are not deemed to be a controlled action, have been built. I will pose some questions on notice, but I flag that perhaps it would be great if the department picked up the phone and called Mr Duggin to try to work through his issues with him cooperatively.

Ms Middleton—Would you mind repeating the EPBC number for me, please?

Senator BIRMINGHAM—It is 2008/4465.

Mr Burnett—We have it.

Senator BIRMINGHAM—Thank you.

Senator SIEWERT—You might want to take these questions on notice. I am trying to look at how much funding has been spent by the NRS—

Ms Kruk—Chair, if you would not mind, we will take these questions on notice because I do not have the officers at the table. That was the section we were covering last night. If you want to read these questions into *Hansard*, we will be pleased to follow them through.

Senator SIEWERT—I am happy to put them on notice. If you do not have the officers here, I will submit them on notice.

Ms Kruk—That would be good. Thank you for that.

Senator Wong—I understand that was on last night.

Ms Kruk—Yes, it was in last night's session.

Senator SIEWERT—When did we do it?

Mr Thompson—It is a combination of parks and 1.1. Funding for the National Reserve System comes from Caring for our Country, which is administered by Mr Cochrane.

Ms Kruk—So please read them into *Hansard* and we will follow them through.

Senator SIEWERT—That is interesting. Usually, when I ask about funding for purchase of NRS, it does not become Mr Cochrane's responsibility until it is actually purchased. So in the past—

Mr Thompson—Mr Cochrane provides advice on the NRS, the National Reserve System.

Senator SIEWERT—Okay. I will put them on notice.

CHAIR—Thank you, Senator Siewert. That concludes the examination of program 1.2. We thank the officers for their assistance during that questioning. We will resume on outcome 2, program 2.1: energy efficiency and climate change.

Senator BIRMINGHAM—There are lots of program changes or name changes and so on listed in the budget papers to keep us all confused. I will go first to the action on energy efficiency program determination. What costs were incurred to develop, resource and promote the action on energy efficiency program?

Senator Wong—I am sorry; I do not understand the question. Which output are you talking about? Which program are we on?

Senator BIRMINGHAM—I am looking at page 189 of Budget Paper No. 2. The very first item under the department's expense measures, albeit this one is a savings measure.

Mr Carter—Perhaps I could start by giving an overview because I appreciate that some of the changes on the energy efficiency measures might be somewhat confusing with the terminations and the repackaging of some of those new measures. There have been a number of new measures. The National Strategy on Energy Efficiency, energy efficiency labelling; National Strategy on Energy Efficiency, minimum performance standards for appliances and equipment expansion; National Strategy on Energy Efficiency, energy efficiency requirements for residential buildings; National Strategy on Energy Efficiency, residential building energy efficiency mandatory disclosure; National Strategy on Energy Efficiency, commercial building energy efficiency mandatory disclosure; National Strategy on Energy Efficiency, Building Code of Australia requirement for commercial buildings enhancement; heating ventilation and air conditioning high-efficiency systems strategy contribution; and

commercial building rating tools enhancement, which came to a total over forward estimates of \$64.5 million.

The actions on energy efficiency of electrical appliances, hot water system phase-out and phase-out of inefficient light bulbs were all programs that were terminated and savings from those were taken. But those programs were then embedded into the new programs. The savings amounted to some \$46.58 million, with the new allocation of \$64.562 million.

Senator BIRMINGHAM—As I said in the introduction, with the renaming, rebranding and establishment of new programs, there is plenty in there to keep us confused. I probably need you to have a white board or a flow diagram for me. Nonetheless we will try to plough on.

Mr Carter—We could provide a flow diagram for you.

Senator BIRMINGHAM—We will take that one on notice. That would be fabulous, thank you. We will be well informed when we meet again in a few months. As to the action on energy efficiency program, which is where I started, when was this program commenced?

Mr Carter—I apologise—I do not have that date on me, but one of my officers will provide that before the end of this session.

Senator BIRMINGHAM—Was it longstanding?

Mr Carter—The energy efficiency programs have been programs that have generally been provided for four-year periods, but I do not have the date of commencement of that program.

Senator BIRMINGHAM—This one obviously had an allocation right through the forward estimates, so it was funded over a four-year period. It appears to have been funded for at least the next four years?

Mr Carter—Certainly. The action on energy efficiency program covered quite a range of different activities of the department, including the minimum energy performance standards and a lot of the work that we were doing on building energy efficiency. In that sense, in one form or another, elements of the program had been running for many years.

Senator BIRMINGHAM—In that case I want to look at the energy efficiency of electrical appliances if I can. At the time of last year's budget Minister Garrett put out a media release spruiking the Energy Efficiency of Electrical Appliances program and went through the changes of that program: upgrading, revising the current six-star energy rating label to 10 stars, and a range of other goals sweeping through the regulation of set-top boxes and other such things. What is the logic behind terminating this program?

Mr Carter—In terms of the logic, I think that was a decision of government in terms of integrating various programs. In the way that we had worked through a number of these issues for the National Strategy on Energy Efficiency there seemed to be synergies in the way that those programs were developed and presented.

Mr Oxley—If I could elaborate on Mr Carter's answer, what happened last year and earlier this year as part of the process of determining the current year's budget is that we essentially went back to the TORs on the range of measures being funded in the energy efficiency space. The program structure was changed. As a consequence of that, the then existing suite of

programs all had their funding terminated and that funding was rolled over into a new differently described set of energy efficiency measures. But all of the elements of programs such as the Energy Efficiency of Electrical Appliances in practical, day-to-day operational terms have been carried over into this new program structure. All the work that we are doing around minimum energy performance standards, around labelling, around 10-star labelling and so on, is continuing to be funded under this new program structure.

Senator BIRMINGHAM—That is reassuring, but it then begs the question of what efficiencies have been gained by abolishing a collection of programs, renaming them and perhaps adding to them in some instances? How does this deliver a better outcome for the taxpayer?

Mr Oxley—This is not a question of delivering a better outcome for the taxpayer; it is the consequence of going through a comprehensive program review as part of the Wilkins review and, in response to that review, looking at a different way of describing and organising the business in which we are engaged and at the same time injecting some level of additional resources into that overall program structure, as Mr Carter has already identified.

Senator BIRMINGHAM—Would I be correct in saying that the Energy Efficiency of Electrical Appliances program, which was terminated, has broadly been replaced by the National Strategy on Energy Efficiency's energy efficiency labelling enhancement program?

Mr Oxley—It would be more accurate to say that the combined terminated measures of action on energy efficiency, the Energy Efficiency of Electrical Appliances program, the phase-out of inefficient light bulbs and the hot water system phase-out have been replaced by the National Strategy on Energy Efficiency measures relating to labelling, as you have already suggested, the minimum energy performance standards element, and lastly the heating, ventilation and air-conditioning measure. I think this is why Mr Carter's offer of providing a flow diagram would be quite helpful to the Senate.

Senator BIRMINGHAM—I am sure it would be quite helpful to many people. What funds have been expended in promoting and developing materials and information around the abolished programs?

Mr Oxley—We would have to take on notice the specific details around the promotion and communication of existing programs. While the program in name has been abolished, the ongoing work which it supports has not. That work is delivered substantially through the Ministerial Council on Energy's national framework for energy efficiency, which has been in operation for a number of years in two stages, and we are now in stage two. All that work around minimum energy performance standards and labelling is substantially delivered through the vehicle of that ministerial council cooperatively between the states and territories, New Zealand and the Australian government. Work, for example, around promotion of the phase-out of incandescent light bulbs continues on. Its value has not been lost simply by a change of the nomenclature around the programs themselves.

Mr Carter—In terms of your earlier question, the action on energy efficiency budget commenced in 2004-05 with a formal lapsing date of 30 June this year.

Senator BIRMINGHAM—The program itself had a formal lapsing date of 30 June this year, yet it had an allocation, according to the budget papers, going forward?

Mr Carter—That is my understanding. I think that is based on it being lapsing rather than terminating at that point but still I think—

Mr Oxley—The way the financial system works is where the program is terminating there is no future provision made for it. Where it is a lapsing program and it is subject to a lapsing program review, which occurred in the context of the Wilkins review, there is usually provision made, although not publicised, into the forward estimates for those things.

Mr Carter—Might I add to Mr Oxley's answer to your question about materials? As to the information materials, the work at the National Framework for Energy Efficiency generally related to specific areas of energy efficiency and quite often prepared information and material that related to those areas. For example, for the minimum energy performance standards there would have been material prepared for that particular program and often in relation to specific products. It was not in relation to the overarching action on the energy efficiency program per se. It was done jointly with jurisdictions for the majority of material. Whilst we can look into your question specifically, I would be surprised to find if there was material that had been prepared with an overarching action on energy efficiency banner over the top of it.

Senator BIRMINGHAM—I will put some questions on notice related to all of these programs. When they come back hopefully the flow diagram will be at the top of the answers. Then we can try to ascertain where it has all gone, because the movements in these programs are confusing enough, but then you add on top of that some of the additional measures from the stimulus package and the like. There is a lot of shifting sand in quite related areas that makes it challenging to follow for everybody concerned.

I will move to something that is more familiar to us all, and has only had a change to its funding rather than its name, my old friend the Green Loans Program. I note that when we last met we talked about some of the targets for Green Loans: how many we expected to be dished out this year; how many on average; and what would be saved as a result of those Green Loans by way of carbon emissions. There seemed to be some surprise when of course it was realised that perhaps people may not be so eager to take Green Loans out for things like insulating their home if they were going to get Pink Batts for free instead. Since then the government has taken the axe to this program and reduced the number from 200,000 to 75,000 over five years. On what basis was the figure of 75,000 loans struck?

Mr Carter—At the last estimates hearing we had quite a discussion around the Green Loans. Senators raised a number of issues, including the issue of the effect of the global financial crisis, the reduction in interest rates and of the energy efficiency package, or the stimulus package elements, on changing the nature of the program.

As you would recall, at that time we were also engaged with financial institutions in discussion of provision of services. I think perhaps in response to that estimate some of the issues that financial institutions raised also gave us pause for thought on the structure and nature of the program. As I emphasised a number of times, the importance of the household assessment process and of the behaviour change that can ensue from having household assessments undertaken for energy efficiency has been one of the major thrusts of the program. Clearly, with the reduction in potential interest due to the investment in ceiling

insulation and solar hot water, which you have rightly indicated were some of the lowest hanging fruit in terms of energy efficiency at a household level, and the global financial crisis and the changing interest rates, a range of advice was provided to the government on reducing those loans.

But in terms of your question on whether there is a numeric on how we came to that number, the simple answer is no. This is quite an innovative and new program. We were concerned that demand would have been reduced under the program and we have made an estimate about what the uptake may be on that. Clearly once the program is fully launched on 1 July we will be closely monitoring that uptake. The number of 75,000 was one where we proposed a number of options and advice to the minister and the minister has determined that number.

Ms Kruk—To follow up your comment earlier suggesting that this program had been axed I think you, in reading some of the background, would have seen that there have clearly been changes. I think you probably raised some concerns at the last estimates hearing. What in essence has also occurred is that we have strengthened some of the policy levers. I think the greater focus on the assessment part of the equation is significant. The removal of any cost associated with the assessment process I think is also significant, but it actually does bring together a range of the various energy efficiency schemes that are geared to the household into a far more coherent package. I think probably one of the most evident things that I think is worth repeating is the significant injection of capital into this area. The market has changed quite considerably since this program was initially envisaged. I am sorry, I am just echoing some of the comments I think Mr Carter has made.

Senator BIRMINGHAM—I appreciate that. I did not say that the program had been axed. I said the axe had been taken to the program—

Ms Kruk—I am sorry, I must have heard you wrongly.

Senator BIRMINGHAM—Nonetheless, I am not going to split hairs on those points. You highlighted an interesting point there in terms of the cost of assessments, so let us jump to that firstly. All assessments will now be free. My recollection is that the previous program had a nominal \$50 cost which was then reimbursed if you took out a loan?

Mr Carter—That is correct. Senators raised the issue of whether the department should consider whether that fee was constructive or not in the design of it. We certainly took that on board and provided advice to the minister in that regard, and that is no longer required.

Senator BIRMINGHAM—All assessments will be even. There are no criteria at the end. You do not have to opt for the Pink Batts, the hot water service or whatever else was being subsidised in other programs or the Green Loans; you can simply get the assessment done?

Mr Carter—That is right. As I have mentioned a number of times, the issue in having household assessments is one that we see as being critical. But the behaviour change and information side of energy efficiency is very important. The opportunity that arose with the stimulus package and providing ceiling insulation or solar hot water was that it gained the interest of Australians in making a change to their household for energy efficiency which would then be something we could leverage off with the assessment process and having that

come in on the coat-tails of that program to some extent. To remove the barrier of the \$50 fee would help to facilitate that further.

Senator BIRMINGHAM—What is the five-year budget for the Green Loans Program now?

Mr Carter—The total program funding is \$175 million.

Senator BIRMINGHAM—We had \$125 million sliced off it in the budget. In terms of the number of Green Loans that you hope to have dished out in that five-year period, what does the change in funding do to that target?

Mr Carter—I am sorry, could you repeat that question?

Senator BIRMINGHAM—What does the change in funding do to the targeted number of Green Loans?

Mr Carter—The change in funding would reduce the number of loans. Once again, I would reiterate that this is averaging on what we think the sorts of loans might be, but would go from 200,000 down to 75,000. I might just go to some of the detail of how we calculated that. Once again, there is not a lot of data for us to assume what the choices of households will be when they have their assessment. We went through a basket of possible actions that a household might choose and apportioned a percentage where we thought uptake might occur. Insulation with a ceiling R4 top-up, so assuming that a household either has existing ceiling insulation or is taking advantage of the stimulus package insulation that will top up on top of that to add to the efficiency of the existing insulation, would have about a 25 per cent take-up. Wall insulation of about an R2 quality would have about a 25 per cent take-up; draft proofing, about a 40 per cent take-up; shading and window film, around 25 per cent; solar hot water, about 50 per cent; solar photovoltaics, about 35 per cent; a rainwater tank, around 30 per cent; fridge upgrade, 35 per cent; washing machine upgrade, 35 per cent; and lighting upgrade, 35 per cent. We went through and tried to predict what we thought would be the sorts of mixes of loans and that gave us an average loan cost of just over \$4,000, which we used as the basis for calculating the 75,000.

Senator BIRMINGHAM—Was the program already providing for the upgrading of electrical appliances?

Mr Carter—It was certainly one of the items that would be eligible under Green Loans. With electrical items, particularly the fridge upgrade, we have got fairly substantial data on the performances of fridges over time. They have been one of the appliances that have had minimum energy performance standards for quite some time. I would stand to be corrected, but I think that occurred around 1990, so pre-1990 fridges performed significantly worse in an energy efficiency sense than post-1990 refrigerators. Once you have been through a number of the other reactions that I listed, refrigeration is one of the major energy users within households.

One of the other aspects of this, which goes to household assessments and behaviour change, is that it is almost a cultural habit in Australia that, when the main fridge is replaced, the old fridge goes out into the shed. This is quite an unfortunate practice because it is often a very old and inefficient fridge that uses a significant amount of power. We would hope that

households that go through the assessment and look to replace their refrigerator also dispose of the old one.

Senator BIRMINGHAM—My Canberra apartment has a pre-1970 fridge by the looks of it, so I am not sure what that means for energy efficiency. It looks older than I am.

Mr Carter—It may operate on kerosene.

Senator BIRMINGHAM—It may well. The government will be out there with Harvey Norman and everybody else with the ‘buy now-pay later’ when it comes to your fridge, but you have carefully explained the potential savings from that.

Mr Carter—One other detail to that would be the eligibility requirement for a fridge upgrade would have a star rating on the fridge. We would not anticipate the loan being used just to replace it with a fridge that was perhaps larger.

Senator BIRMINGHAM—I assumed there would be a requirement. Have you set that requirement yet as to what star rating a fridge would have to be?

Mr Carter—I would be surprised if we had not, but I do not have that information.

Senator BIRMINGHAM—You have indicated assessments will now be free. How many assessments are you still budgeting for?

Mr Carter—For this financial year or in total?

Senator BIRMINGHAM—Let us go with the total firstly.

Mr Carter—We are still budgeting for 360,000 assessments over the life of the program.

Senator BIRMINGHAM—What is it for this financial year?

Mr Carter—This financial year we have budgeted for 16,200.

Senator BIRMINGHAM—Have you got your 830 assessors ready and rolling?

Mr Carter—Yes. I think that has increased to 1,000.

Senator BIRMINGHAM—There is now an even 1,000 assessors. How much do they get paid per household assessment?

Mr Carter—It can vary. My understanding is that there is a base rate of around \$150 for an assessment, but then there is additional funding provided for complexity and distance which are factored into those assessments. I think the average cost, when you took those factors into account, was \$250 per assessment.

Senator BIRMINGHAM—What proof or evidence do they have to provide back to the department to presumably receive their \$250 per assessment?

Mr Carter—One of the other elements of the program that is particularly important is that the data from the assessment is returned to the department. Whilst, of course, we are very careful about the privacy involved in that sort of information, the data is nevertheless something that will be extremely valuable for policy development into the future from the assessment of those houses. That is one of the acquittal processes that we will have in place.

Senator BIRMINGHAM—I note Senator Milne is here and I assume she has some questions for this output too, so I will try to keep things moving. Have agreements with financial institutions now been reached?

Mr Carter—Certainly. We currently have eight, and I suspect we may have had another credit union actually sign up today. There are currently eight credit unions that have signed a deed of agreement to deliver Green Loans. We are in continuing discussions with around 20 other credit unions and three banks.

Senator BIRMINGHAM—Are they a standard agreement with each of the financial providers?

Mr Carter—Yes.

Senator BIRMINGHAM—What is the interest rate that the government will be subsidising?

Mr Carter—That is something that is subject to market variation. The calculations that we have done have been based on a subsidy of 8.25 per cent and an application fee of \$200.

Mr Keeffe—It is based on the Reserve Bank cash rate and then supplemented.

Senator BIRMINGHAM—Your standard agreement is based on the variable RBA cash rate and supplemented by how much?

Mr Keeffe—It is 500 basis points.

Senator BIRMINGHAM—It is an additional five per cent on top of the RBA rate?

Mr Keeffe—Yes.

Senator BIRMINGHAM—That does not strike me as the most competitive rate going around. What advice did the department take in striking that rate?

Mr Keeffe—We have had lengthy discussions with the Australian Bankers Association and with Abacus, the organisation representing credit unions and building societies. We also took advice from our colleagues in Finance and Treasury.

Senator BIRMINGHAM—Of the \$175 million left in the program, how much is going in assessments, how much to the banks and how much is eaten up in administration expenses?

Mr Keeffe—Over the total of the program, out of \$143,843,000 departmental expenses will be just over \$14 million—

Senator BIRMINGHAM—The total figure that you gave me then was different from the total figure Mr Carter gave me previously. I am not sure who it was, but he said \$175 million.

Mr Keeffe—Yes. My figures go to the end of 2012. Mr Carter's figures included the end of 2013.

Senator BIRMINGHAM—Financial year 2011-12?

Mr Keeffe—Yes.

Senator BIRMINGHAM—To financial year 2011-12, what is the total?

Mr Keeffe—It is \$143,843,192.

Senator BIRMINGHAM—That is quite precise. You said there is about \$14 million in department expenses.

Mr Keeffe—That is correct, and roughly \$130 million administered.

Senator BIRMINGHAM—Are we able to break down those administered expenses into what you are budgeting for assessment costs versus bank costs?

Mr Carter—We would have that breakdown, but I am not sure that we have it with us. We can take that on notice.

Senator BIRMINGHAM—Could you come back and provide that? If we are taking that on notice, then provide that for a year-by-year perspective as well, which would be most helpful. That is all I need to do on Green Loans. You said that you consulted with the Australian Banking Association and so on in working out the arrangements with the banks. Were Treasury or Finance consulted?

Mr Keeffe—I am just checking that. My apologies, it was in discussion with the ABA and Abacus about what they would agree to as the minimum arrangement. There was no formal engagement of Treasury or Finance in that.

Senator BIRMINGHAM—No formal engagement of Treasury or Finance in—

Mr Keeffe—In those negotiations.

Senator BIRMINGHAM—in those negotiations where you have lined up eight or nine contracts with credit unions, and it is possible that it could add up to about a dozen to go.

Mr Keeffe—Another 23.

Senator BIRMINGHAM—There are another 23 to go. It seems unusual that you would not consult with Finance, particularly, in something that is quite an innovative program, as Mr Carter indicated earlier. This is the first time that the department of environment has been involved in going out and subsidising banks as lenders to individuals. Why would you not consult Treasury or, particularly, Finance?

Mr Keeffe—We certainly discussed with Finance the configuration of the program and in terms of the refocusing and reshaping, Finance were actively engaged in that. There was also discussion on the shape of the loans and the average of the loans, in terms of negotiating the rate that that was at. I know of no formal discussions with Finance and Treasury, but I am willing to take that on notice because a lot of this happened before I was engaged in the program.

Senator BIRMINGHAM—Thank you. I look forward to your response there. I assume the guidelines are now finalised and public?

Mr Keeffe—That is correct.

Mr Carter—The guidelines were approved on 15 April and published on the program's website on 8 May.

Senator BIRMINGHAM—Have there been concerns expressed by the assessors since the budget about the reduction in the number of loans available?

Mr Carter—There have been some concerns expressed by assessors, yes.

Senator BIRMINGHAM—Do those guidelines set out for assessors and others how assessors can point consumers towards programs other than Green Loans?

Mr Carter—They did. The intention of the reshaping is to ensure that assessors are advising households on the opportunities that they can take up in other programs as well as actions they can take that are both behavioural and in terms of an investment they might make through a Green Loan or through their own choice. In addition, we have met with a number of assessors and certainly with the Association of Building Sustainability Assessors because of some of the concerns that they were raising. When the assessors became aware of the reduction in loans they were concerned that, having gone through training for assessment, that might pose some reduction in the opportunity for them. We have reassured them that there are still 360,000 assessments under the program.

I will take the opportunity to make the point that we have been very mindful in designing the assessment process and the software that sits behind it that the skills that assessors are picking up through this program are something that we would see as enabling them to operate across a range of programs that are occurring at state levels, and also in terms of some of the work that we are doing currently on mandatory disclosure in residential households. We would see that people entering into this profession or acquiring this skill set should be fairly optimistic about the trajectory and availability of different opportunities for them in this area.

I would also indicate that we are mindful of some of the changes that would occur through the introduction of the carbon pollution reduction scheme and a carbon price where demands for this sort of skill, both at a household level and also at the smaller micro business scale, would increase as well over time.

Senator BIRMINGHAM—Thank you. I missed the figure earlier when you said how many assessments you expected this financial year.

Mr Carter—We budgeted for 16,200 assessments. However, the formal program launch is on 1 July. We are currently undertaking pilot assessment work. The expectation of the immediate pilot is around 3,000 assessments this financial year. We are cautious to indicate assessments between the 3,000 and the 16,200 in the coming months because we are using the pilot to very much test the systems and we do not want to break the system while we are in the process of testing it and proving it up.

Senator BIRMINGHAM—Are all of the 1,000 assessors now able to go out, undertake their assessments and sign people up?

Mr Carter—No. At the moment we have gone through and selected 50 assessors that we are using to pilot the system. We are using a combination of the IT based system and paper based systems to shore up the assessment process and the technical information behind it. We have picked a range of areas and 50 assessors to assist us with that in the initial phase.

Senator BIRMINGHAM—Where are those 50 assessors located?

Mr Keeffe—They are in each capital city and also Geelong and Launceston.

Senator BIRMINGHAM—Lastly, in terms of estimated savings of greenhouse gases or CO2 equivalent savings, the website that I quizzed you about last time was budgeting for

savings of 600,000 tonnes of CO₂ equivalent per annum as a result of this program. What do you budget for now?

Mr Carter—The estimate of abatement that I have got here—and I will have to check on it—is 0.33 megatonne CO₂ equivalent by 2020 of additional annual abatement.

Senator BIRMINGHAM—It is savings of 0.33 megatonnes of CO₂ equivalent per annum by—

Mr Carter—2020.

Senator BIRMINGHAM—Why is the figure by 2020?

Mr Carter—I would have to take the detail of that on notice.

Senator BIRMINGHAM—Was that an annual saving figure by 2020?

Mr Carter—That was an annual additional saving by 2020.

Senator BIRMINGHAM—Right. How long is the program meant to run for?

Mr Carter—The program runs for five years.

Senator BIRMINGHAM—If you could come back to me and tell me why 2020, in this instance, is the magical number for a program that runs for five years, that would be much appreciated.

Mr Carter—We can certainly break down how that calculation is developed, but I would also reiterate the point I made at last estimates, that when we are calculating abatement from a program of this nature we are relying on an estimation across a basket of actions. Each of those actions are things that we are assuming will occur to a certain percentage and then we are doing averaging across different fuel sources across different states. I would just make sure that I caveat those numbers quite heavily. Quite often we have abatement presented in terms of annual savings per year by a point in time, and that is often based on some of the fuel mix sources and so on. We will break that down and provide the detail.

Senator Wong—We will take that on notice. It is not an unusual way to express an estimate of likely abatement. I appreciate your comment about the five years of funding, and that is why we will take it on notice, but I am saying to you that an expression of estimated abatement from a program rollout by 2020 is not unusual.

Senator BIRMINGHAM—That is fine. I appreciate that it is not an unusual benchmark to be talked about. However, for a program that is expiring sooner, I would have thought that, in looking at the targets, I would like to get at least a rationale behind that, and also just to ensure that we are comparing apples with apples as to what the previous program was saving. With respect to the assumptions built into the savings that you are now suggesting, Mr Carter, of 0.33 megatonnes by 2020, is that purely generated from the loans or are those assumptions and that total built up by the assessments that have been provided and possible take-ups of other programs?

Mr Carter—I would have to take that on notice. I am not sure if that was taking into account any of the behaviour changes. It is certainly based, in part at least, on that basket of actions. The other thing that I would emphasise—and I mentioned this last time—is that we have also estimated quite conservatively in relation to some of those actions. I indicated at the

last estimates that when we are looking at thermal savings we put in a rebound effect, because some households take the opportunity to heat or cool a greater part of their house once it is insulated, albeit at a lower cost, but the reduction in energy usage might not be as high. We have applied a 66 per cent rebound effect on things like thermal changes.

Senator BIRMINGHAM—I would love to get a couple of questions in on solar schools, but I will hand over to Senator Milne.

CHAIR—Senator Milne.

Senator MILNE—I will not be very long. I wanted to ask a couple of questions about the Renewable Remote Power Generation Program. Could you give me an outline of where that program is up to and why the major projects and industries support and the island territories support has been suspended?

Mr Carter—Certainly. My colleague Mr Young will be able to provide some detail around that.

Senator MILNE—Just a general overview.

Mr Carter—The general overview is that the RRP GP funds have been becoming fully committed in different aspects. We have seen quite an increase, and this goes across a number of the subelements of the program, particularly as you recall with the price of fuel increasing quite dramatically in the latter part of last year. That generated quite a bit of additional interest in the program and raised application rates. The program is quite a complex one and has a number of subcomponents. As each of those subcomponents has approached being fully committed, we have been monitoring that closely, advising the minister's office about that, and if it was getting to a point where it was fully committed then suspending that particular element of the program as the funds were committed in that area.

Senator MILNE—What is left in the Renewable Remote Power Generation Program? Is it all coming to an end now or just those ones I just mentioned? What is the current status of the program? When is it due to run out? Are you re-funding any aspects of it in this coming financial year?

Mr Young—The program does have a continued allocation of funds in 2010-11 and they are shown in the portfolio budget statements. That funding reflects the previous forward estimates for the program. You were asking about the major projects and industry support subprograms.

Senator MILNE—I was asking what is left in this financial year for a start, and then we will come back to the specific components.

Mr Young—In relation to the original part of RRP GP, that had a budget of \$205 million. Of that, over \$188 million has been committed to subprograms, major projects and industry support activities, and \$152 million of that was spent up to the end of March 2009. Of the extension budget, or the RRP GP2 budget, of \$95 million, to date \$27 million has been spent.

Senator MILNE—Can you just slow down?

Mr Young—I am sorry. But as Mr Carter indicated earlier, there is a significant number of applications continuing to come in, which in due course will need to be funded. That is the

area in which we are keeping a particularly close eye on in terms of monitoring the rate of applications and the extent to which those sorts of preapprovals need to be entered into. From that point of view the amount that needs to be set aside now is higher than that \$27 million.

Senator MILNE—So \$27 million has been spent. There are a number of applications in. You had a possible \$68 million or thereabouts to expend. Are you saying that the applications that have gone in will probably exceed \$68 million once you have assessed them?

Mr Young—We are not yet at that stage, but we are keeping a very close eye on the situation.

Senator MILNE—I take from what you are saying that you have a series of applications in. If they turned out to tick all the boxes in terms of applications, you have probably got to the point now where the whole program would be expended if you were to approve the ones you have got in?

Mr Young—We are keeping a close eye on that situation. The program does continue to be open.

Senator MILNE—Which part of the program continues to be open? Are the major projects and industry support open or only the residential and medium scale?

Mr Young—It is the latter part. The major projects subprogram was suspended in September 2008 because there were sufficient applications in place there to commit all the available funds. The residential and medium subprogram continues to accept applications except in the island territories, where applications have now got to the stage of reaching the level of funds available there.

Senator MILNE—We have reached the end of the funding for the Renewable Remote Power Generation Program; is that right? Is there anything in the forward estimates beyond this financial year other than what you have told me?

Mr Young—No.

Senator MILNE—So it is phasing out. Could you explain to me what people in rural and remote areas are now going to do to fund major projects that they might have or in the island territories or anywhere else? Are they on their own now?

Mr Carter—The program is not yet fully committed, but once it is fully committed there is no more funding provided for currently in that program to meet those requirements. For people who are still looking at putting in those installations—and this is an issue for the Department of Climate Change—the mandatory renewable energy target does provide for solar credits, so that will be something that will be available beyond the end of this program.

Senator MILNE—Basically, this is the end of this program and then we go into the RET when that comes in, as a way of funding those programs. Is that what you are saying?

Mr Carter—That would be how the landscape looks at the moment, yes.

Mr Young—I might just make one additional remark. With the number of applications still in the pipeline, those which are preapproved and not yet installed, and those which have been received and are still being assessed, there will be quite a significant amount of work to be undertaken in the coming months.

Senator MILNE—I understood from what you were saying that they are in the assessment process and that money will be expended on those in due course. In terms of the 1,000 megawatts for up to four installations, will that be something that you will be supervising?

Mr Carter—No. This is the Clean Energy initiative.

Senator MILNE—You will not be administering that, it will be administered elsewhere?

Mr Carter—Yes. My understanding is that it is within the Department of Resources, Energy and Tourism.

Senator MILNE—What responsibility for renewables will your department have once this program phases out? Will it just be the household scale?

Senator Wong—I am sorry, I missed that.

Senator MILNE—Once the Renewable Remote Power Generation Program concludes, apart from the household level which we have been discussing, is that the only scale at which this department will have oversight henceforth as it currently stands?

Mr Carter—As it currently stands, yes.

Senator Wong—With the existing administrative orders, as you would recall, the Renewable Energy Fund was also in Minister Ferguson's portfolio.

Senator MILNE—Yes. I am just trying to work out where it is all going next.

Mr Carter—The National Solar Schools Program remains with the department, as does the solar homes and communities plan and solar hot water. It is directly largely at the schools and household level.

Senator MILNE—I would like to go to solar systems. You may need to take this on notice. I would be very interested to know, under all particular programs, what the total federal government funding for solar systems has been through the rural and remote program, plus R&D, commercialisation funds and so on. Would you be able to provide, on notice, an aggregate figure for the level of Commonwealth support for solar systems?

Mr Young—Certainly. We will take that on notice and consult with our colleagues in other departments who have also supported that company.

CHAIR—We need to wind up in a few minutes for dinner. Senator Birmingham has some questions.

Senator MILNE—I will put the last couple on notice.

Senator BIRMINGHAM—Very quickly, can you tell us how many schools now have solar panels installed under the National Solar Schools plan?

Mr Carter—The latest number I have is that we have had 89 installations completed of solar panels.

Senator BIRMINGHAM—The budget portfolio statement has a revised budget for this program of \$74.5 million for this year. Do you expect that to be expended?

Mr Carter—Yes. I will just remark that it also incorporates payments under green vouchers, which was tailing off from a previous scheme. Payments under green vouchers are being made this financial year.

Senator BIRMINGHAM—There are 89 installations. On Monday, 25 May—this week—Mr Garrett said that over 4,000 schools had registered for the program.

Mr Young—That is correct.

Senator BIRMINGHAM—What does ‘registration’ mean? There is a vast gulf between 89 installations and 4,000 registrations.

Mr Carter—There is a registration process and then an application, in terms of the suite of actions that a school proposes to take, an approval of that suite of measures and then claims in terms of payment for meeting those measures. The registration is the registration of interest and an indication that the school is commencing to look at the suite of measures that they might undertake.

Senator BIRMINGHAM—When would most of these schools have registered? Would there have been a surge recently or has it been a steady registration process, or indeed did they all register quite early?

Mr Young—From memory, it has been a fairly steady process after quite a significant starting period. There was a surge once the program was originally announced, as would be expected, but since then there has been a fairly steady stream of registrations.

Senator BIRMINGHAM—When did you start taking or accepting registrations?

Mr Carter—The program commenced on 1 July last year. I think registrations were commenced at that time.

Senator BIRMINGHAM—Is there some guide as to beyond registrations how many schools are proceeding to installation?

Mr Carter—Certainly. There are a number of approvals that we have made. I am not sure that we have a dollar figure on what we have approved in terms of expenditure, which is in the order of \$17 million. We have actually paid claims of \$12 million.

Senator BIRMINGHAM—Of the \$74.5 million in the budget this year, \$17 million has been budgeted for this program and the remainder for the previous program that you mentioned, which was an initiative of the previous government. There is \$12 million committed to those 89 installations that have taken place.

Mr Young—No, that is not quite correct. We have approved and paid 342 claims, which represents the \$12 million, and 89 of those have proceeded to completion.

Senator BIRMINGHAM—Eighty-nine have proceeded to completion and 342 have been approved and paid?

Mr Young—That is correct. I can tell that the value of those completed installations is just over \$4 million.

Senator Wong—Chair, I wonder if we could break for dinner. If Senator Birmingham wishes to continue, will that be after the break or do you want to move to water? I just need to advise officers.

CHAIR—The committee will wind up this portfolio now. Have you finished?

Senator BIRMINGHAM—I will place further questions on notice.

Ms Kruk—Can I confirm that we are moving directly to outcome 4?

CHAIR—We are.

Ms Kruk—We have finished the previous section, including 2.2?

CHAIR—Yes.

Proceedings suspended from 6.01 pm to 7.03 pm

Murray-Darling Basin Authority

CHAIR—I call officers from the Murray-Darling Basin Authority and I invite questions unless somebody wishes to make an opening statement or any other comments to the committee. If not we will go straight to questions.

Senator BIRMINGHAM—As to the continued process of establishment, we have a full complement of authority members now, do we?

Mr Freeman—Yes, that is correct.

Senator BIRMINGHAM—When were the last of those members appointed?

Mr Freeman—The chair and the four other members were announced on 14 May.

Senator BIRMINGHAM—Last week, the week before or thereabouts?

Mr Freeman—The week before last.

Senator BIRMINGHAM—Budget week. Why did it take nearly 10 months to finalise those appointments?

Senator Wong—When are you dating it from?

Senator BIRMINGHAM—I think that was when Mr Freeman's appointment was announced.

Senator Wong—I apologise, I was distracted. Could you ask the question again?

Senator BIRMINGHAM—Why did it take nearly 10 months to appoint the other authority members?

Senator Wong—I am asking from when do you date the 10 months?

Senator BIRMINGHAM—From when Mr Freeman was appointed. I think Mr Freeman was appointed in July last year, from memory.

Senator Wong—September. The memorandum of understanding was at the March COAG, I think. The intergovernmental agreement was not signed until July. Mr Freeman was appointed in September. As I indicated on the last occasion, obviously appointments to the authority are matters for consultation with the states. We were interrupted, of course—as you

may recall I indicated at the last estimates—by the Queensland election. That took a period of time to work through.

Senator BIRMINGHAM—Can you give us a quick update on the advances that have been made in regard to the development of the basin plan, please?

Mr Freeman—The authority has recruited quite a few staff since I last appeared before the committee. We essentially now have the majority of staff on board to develop the basin plan. Effort to date has been corralling existing science. There has been extensive consultation with research and science providers both in the Commonwealth and in the states. There have been extensive discussions with states also to access the science and knowledge that they have. In addition to that we have commissioned some extra science. We are basically in the phase of putting together all the existing available knowledge. There has been a substantial plan developed. In fact, we have a Gantt chart with some 800 lines on it. We have an extensive plan to get us to a proposed basin plan by mid next year.

Senator BIRMINGHAM—That sounds like something that Barry Jones would be proud of.

Mr Freeman—It is quite detailed, but it is an incredibly complex task.

Senator Wong—Jokes aside, I do not accuse you of not understanding some of the issues in the basin. This has never been done before. We have never had a whole-basin approach in the Murray-Darling Basin. It is a very large area of this country. It traverses a number of jurisdictions. There are a range of scientific, environmental as well as social and economic issues that have never been integrated before, so it is unsurprising that there are a few lines on the chart.

Senator BIRMINGHAM—I am not surprised. In fact, having a Gantt chart that makes sense with 800 lines is a herculean task, I am sure. Perhaps you can share that with us at some stage, although we might need a much longer session than this one for you to talk us through it. As to the timeline for the development of the basin plan, you indicated levels of the consultation that were under way and the engagement with the states and so on. Can you remind me now of the different stages, please, and when you expect those stages, particularly the stages of public engagement, to occur?

Mr Freeman—There is a comprehensive consultation process which is outlined in the act. The authority must comply with that. It essentially outlines the process from the proposed basin plan with a significant 16-week period for public submissions, with all submissions being recorded and responses to those submissions. However, prior to the production of the proposed basin plan there is extensive consultation going on with the states. There is extensive consultation at the moment with peak bodies to make sure that they understand what the proposed basin plan is and the timeframes. The act requires us to consult the ministerial council, the basin officials committee, which has senior representatives from each jurisdiction, and states. It specifies states separately from both the ministerial council and the basin officials committee. But in addition to that we are preparing a comprehensive stakeholder engagement program, which will be discussed at the first authority meeting.

Senator BIRMINGHAM—Have you already met and held preliminary consultations with peak bodies such as the NFF?

Mr Freeman—That is correct.

Senator BIRMINGHAM—How far down are you going in defining those peak bodies? Are we looking at the authority engaging directly with individual irrigated districts, or what level of grassroots consultation will there be?

Mr Freeman—That is the detail that is in the comprehensive stakeholder engagement plan, which is to be considered by the authority. No decisions have been made with regard to that yet.

Senator BIRMINGHAM—That plan is taken to the first meeting of the authority, which will be when?

Mr Freeman—It will be on Monday and Tuesday next week—on 1 June and 2 June.

Senator BIRMINGHAM—How many staff does the authority have now?

Mr Nicholas—As at 14 May we had 227 employees.

Senator BIRMINGHAM—How many of those were of the old MDBC?

Mr Freeman—There were 191 staff in the MDBC and 189 accepted offers to come across. However, I imagine that some of those may have subsequently resigned.

Senator BIRMINGHAM—Of those 189 there would have been some natural—

Mr Nicholas—That is correct.

Senator BIRMINGHAM—All bar Ms Craig and one other planned to move across. As to the recruitment for the remainder of the authority, which is only 30- to 40-odd people, have they come predominantly from state governments or from elsewhere within the Commonwealth? Where have you sourced the remaining expertise?

Mr Freeman—I think it is fair to say that they come from diverse backgrounds. There are quite a few who have come from states collectively. There are some from the Commonwealth public service. I am not sure of any that may have come from private enterprise, but, as the largest group, I suspect they may have come out of the states—but I have not added them together.

Senator BIRMINGHAM—The budget papers indicate additional funding for MDBA under the Water for the Future program under reallocation of driving reform in the Murray-Darling Basin. Could you please take me through what the additional funding outlined on page 208 of budget statement No. 2 is for?

Mr Nicholas—The funding there is split into two components—\$23.4 million of it relates to new funding for basin planning activities, and \$17.7 million is the Commonwealth contribution to the agreement functions of the authority. They are the formal functions of the Murray-Darling Basin Commission, being natural resource management and River Murray operations.

Senator BIRMINGHAM—Can you take me through the second component again?

Mr Nicholas—It is the Commonwealth contribution towards the funding for natural resource management programs and River Murray operations.

Senator BIRMINGHAM—Are they new activities caused by—

Mr Nicholas—No. They were activities of the Murray-Darling Basin Commission that transitioned to the authority under the transition arrangements. They are activities that are jointly funded by the jurisdictions, including the Commonwealth.

Senator BIRMINGHAM—Does that \$17.7 million broadly reflect what would have gone to the commission?

Mr Nicholas—Yes, via the department of environment in the past. It is a direct appropriation.

Senator BIRMINGHAM—So the funding allocation as such and the formula have not varied?

Mr Nicholas—No.

Senator BIRMINGHAM—It is just going to a different body, so it shows up as additional expenditure?

Mr Nicholas—That is correct, yes.

Senator BIRMINGHAM—How is the \$23.4 million in funding for the development of the Basin Plan apportioned over the forward years?

Mr Nicholas—In 2010-11 that is \$19.226 million.

Senator BIRMINGHAM—Start with this year if you like.

Mr Nicholas—This year? Would you like 2008-09 or 2009-10, the first budget year?

Senator BIRMINGHAM—The first budget year.

Mr Nicholas—It is \$23.409 million. In 2010-11 it is \$19.226 million. In 2011-12 it is \$19.366 million, and in 2012-13 it is \$19.498 million.

Senator BIRMINGHAM—This is funding for the development of the Basin Plan. In 2012-13 of course the Basin Plan is expected to become operational. I notice the figures after this initial set-up year seem to level out. Is this expected to be funding also for implementation? I am assuming most of the cost of this relates to staff and they are presumably staff that you have or are taking on. I did not ask what the expected staff numbers were, but could we throw that one in the mix as well, please?

Mr Nicholas—Yes. As per the PBS, the expected staff numbers are 256.

Senator BIRMINGHAM—That is about another 30 to go?

Mr Nicholas—That is correct.

Senator BIRMINGHAM—Two hundred and fifty-six—

Mr Nicholas—Is the expected staffing position for the year 2009-10.

Senator BIRMINGHAM—There are 65 additional positions from the old MDBC, which was 191, so are all those 65 additional positions, or virtually all, related to the Basin Plan work?

Mr Freeman—The vast majority are. Approximately 10 are to support the Basin Plan group, so they would be in corporate services and other corporate functions.

Senator BIRMINGHAM—What key positions remain unfilled?

Mr Nicholas—There is a broad range of positions we are still seeking to fill across all areas of the authority. The vacancies that are there are not just in basin planning, because of natural attrition and movement in the other two program areas. I think they would be general positions across areas of the modelling, research policy analysis—those sorts of functions.

Senator BIRMINGHAM—I think I am happy to pause for a bit on MDBA, if others have questions for the authority.

Senator XENOPHON—In about August last year the Prime Minister said there would be an audit of water storages in the basin—you may remember that statement—and that it would be looked at by an international firm of auditors. As I understand it, subsequent to that there is now more information on the website giving an idea of where water storages are—

Senator Wong—And what is in them.

Senator XENOPHON—Thank you.

Senator Wong—I think people know where they are, or the public ones anyway.

Senator XENOPHON—I am sorry. I thought that was axiomatic, but I should have made it clear. In relation, firstly, to the audit process, was either the authority or the commission involved in the robustness of the audit process?

Mr Freeman—I cannot speak for the commission. Certainly the audit of the work undertaken was actually undertaken by DEWHA. They engaged a consultant, I understand. But that would be a question for the department.

Senator Wong—I might ask the officers from DEWHA who are relevant to the audit and the website to come to the table so we might deal with this topic as one. Are you happy with that?

Mr Slatyer—Yes. The department did commission an audit of the methodology that the then commission had applied in its review of storages. The commission undertook a review of storages after the Prime Minister's announcement which it then published on its website. The department commissioned an independent audit of that work by the commission. The audit product is on the department's website and I have a copy here. That was conducted through a consultant.

Senator XENOPHON—In relation to that water process, was it a question of assessing the information from the states? What were the primary sources of information as to where the water was? Was it a question of receiving inputs from the various state authorities rather than the department physically checking the storage themselves?

Mr Slatyer—That is correct. The audit was of the methodology that had been adopted in doing the stocktake the commission had undertaken. The department did not go out and arrange to measure water itself. It was to test the adequacy of the methodology that had been adopted.

Senator XENOPHON—In terms of the methodology and the processes involved, did it include all private storages? How extensive was it in terms of the information that was provided to you by the states?

Mr Slatyer—I cannot answer that detail.

Senator XENOPHON—Could you take that on notice?

Mr Slatyer—Rather than taking it on notice, I would invite you to study the report that is in the public domain and which has that information in it.

Senator Wong—I think it is correct to say that we have a lot of detail in relation to public storages. I think where detail is not as good as I am sure many would like it is private storages. We have been quite transparent about that. That has not historically been data that the Commonwealth has kept or that even the commission has kept, from memory. A lot of the data is indicative only. I was quite clear about that when I launched the website on private storages. The note I have is that they are currently indicative and they can obviously considerably vary depending on the time of year.

Senator XENOPHON—I appreciate that. I acknowledge that the information that is provided now is more extensive than previously. The concern I have is in relation to the private storages. Are there any plans to have a more forensic look at those private storages so that more detail can be provided on that and particularly on the diversions that Senator Heffernan has referred to in the past, especially in Queensland.

Senator Wong—I think there are two issues here. I will throw to either Mr Freeman or the department on private storages. I think there is an issue about enforcement, which has previously been raised. That is a distinct issue on measuring the volume of water in private storages.

Senator XENOPHON—In terms of diversion, yes.

Senator Wong—In other words, there might be things that are quite legal that are held in private storages and then there might be enforcement issues.

Senator XENOPHON—I suppose the enforcement issues can affect how much is actually held.

Senator Wong—My point is enforcement issues are still matters for the states. The Commonwealth is not enforcing.

Senator XENOPHON—But that can impact on the level of private storages, directly or indirectly.

Senator Wong—The vast volume of water is still going to the public. We can discuss private but, in terms of the volumes, there is no private Hume Dam.

Senator XENOPHON—Not that I am aware of.

Senator Wong—I think we might notice.

Mr Freeman—The authority has actually commenced discussions with all the states. The information that is on the website from the authority is updated weekly. In fact, the authority's storages were updated today. The information that is on the website that is coming in from jurisdictions is compiled on a quarterly basis. We are having discussions with jurisdictions as to how we can increase that frequency and how we can improve the accuracy of the information that comes forward from states, which would include the private storages. I

cannot be more specific because we are just trying to work out a way that would be simpler for jurisdictions to measure something that they currently do not measure.

Senator XENOPHON—Finally on this line of questioning, in relation to the accuracy of public storages, are you quite satisfied that the information from the states is robust and accurate from your point of view?

Mr Freeman—Yes, I am.

Senator XENOPHON—Thank you.

Senator SIEWERT—With respect to the issue of the Basin Plan, I noticed comments in the media around having to rely on not necessarily robust science to do some of the planning. Will the demise of Land & Water Australia and their work on environmental flows make a difference to your planning activity in developing the Basin Plan?

Mr Freeman—No. The demise of Land & Water Australia will not affect the quality of the science.

Senator SIEWERT—Who is going to be doing that environmental flow work? I am going back to conversations we have had in previous estimates around the fact that you have very good sustainable yield data. There is a general acknowledgement that the robustness of the ecological data is nowhere near as good or as thorough. At least the environmental flows data would fill in some of those gaps.

Mr Freeman—Yes. The best environmental data that we have at the basin scale is the Sustainable Rivers Audit. The Sustainable Rivers Audit No. 2 will be proceeded with, so that will continue. Basically, the environmental science is predominantly held with both DEWHA and state agencies, and we have discussions about how we can access all of that, which is proceeding. I do not believe there will be any gaps as far as accessing existing knowledge. I think we are fine in that area. I believe the comments were around what did not exist.

Senator SIEWERT—That is exactly right. I am hoping that with the new approach you would get access to existing data, but as I understand it there are great big gaps in the data.

Mr Freeman—The Basin Plan is based on the best available science and knowledge. As you have indicated, we are comfortable that we have been able to access that. That has been significantly improved with the sustainable yields work that was undertaken by CSIRO and the Sustainable Rivers Audit. In addition to that, we are commissioning additional science and we will develop that within the timeframes of the Basin Plan.

Senator SIEWERT—In terms of commissioning new science, what are the time frames for that and what are the resources that you are committing to that new science?

Mr Freeman—I do not have the details about the additional science. Certainly, the time frames will be twofold. One reason is to allow it to be incorporated into the proposed Basin Plan by mid-2010. Clearly the collection of science will not stop there. If the science takes a little longer we will be collecting it over the life of the Basin Plan, as reflected in those resources, which do not really decrease once the Basin Plan comes out.

Senator SIEWERT—Have you done a gap analysis of the data that is missing?

Mr Freeman—I would have to ask the executive director. We have been working through at the highest level and identifying what is there. I guess, by default, that is probably a gap analysis. The difficulty here is the complexity of the ecosystems and ecosystem services. There is knowledge around environmental assets, but how do they function? How will they function with more water or less water? That knowledge just has not been captured in the past. It is not so much about the ecological values. The ecological values are captured at some scale. The issue is understanding these dynamic systems. That knowledge is what is a challenge to all of us.

Senator SIEWERT—That is why I am asking. I understand the data is not there. Could you take on notice to look at whether there has been a gaps analysis, and also could you provide information about the science that you are undertaking and the timelines for that—that is, the new projects that are being undertaken as part of the plan.

Mr Freeman—I am happy to do that, yes.

CHAIR—Are there any further questions for the authority?

Senator NASH—Yes, just on the Basin Plan. With respect to the development of the plan and the consultation process with communities on the social and economic impacts of the decisions that are going to be made in the development of the plan, what is the process for that?

Senator Wong—Before Mr Freeman answers, you would know that the act itself sets out a range of formal requirements around consultation, which obviously guide the work of the authority.

Senator NASH—Yes.

Mr Freeman—The act actually formalises that, particularly post the proposed Basin Plan. Prior to a proposed Basin Plan the act is less detailed. The actual detail that you are seeking is the subject of the first authority meeting. As I said, the comprehensive stakeholder engagement strategy is one of the subjects for the very first authority meeting, so it has not been decided yet.

Senator NASH—I do understand what the act says about post the plan, but obviously this sort of consultation needs to happen prior to the plan being developed and implemented to make sure that the appropriate consultation has taken place.

Senator Wong—The act talks about consultation in relation to a proposed plan. It is not at the stage of implementation. That is my recollection of the wording of the act. There are already statutory requirements which obviously the authority will comply with in relation to consultation post a proposed plan. If your question is about prior to that—how the authority will work and what the steps are that the authority wants to engage in between now and the proposed plan—then that is what I understand Mr Freeman as saying.

Senator NASH—That is obviously a matter for the meeting. I might be a bit rusty on the wording. It is a while since I have been closely involved.

Senator Wong—No. I was not trying a bit of ‘one-up-personship’. I was just being clear about the different phases.

Senator NASH—As I say, it is a little while since I have had a close involvement with the Water Act. When is that meeting taking place? I am sorry; you may have already said this and I missed it.

Mr Freeman—The meeting is occurring Monday and Tuesday of next week—1 and 2 June.

Senator NASH—Will the decisions around that process be made public?

Mr Freeman—That will be an issue for the authority. I would speculate that it would be very difficult not to make your consultation strategy public.

Senator NASH—I am probably stating the absolutely obvious here, but I think it would be extremely useful to know what the process is going to be as soon as possible and what the requirements from the community will be to assist in that process. Thank you.

Senator HANSON-YOUNG—There have been mixed reports in relation to the federal government's and the authority's position on the state government's proposed weir at Wellington. I would just like to understand directly from the commission what the position is of the commission on that proposed construction.

Mr Freeman—Any decision to construct a weir at Wellington is a South Australian decision. The authority essentially has responsibility under the act to ensure that any proposed weir does not adversely affect river flow, the operations of the river and so on. South Australia has lodged its proposal with the authority, and the authority will respond as to what conditions or requirements it may have in addition to what has been proposed.

Senator HANSON-YOUNG—Based on the draft information that has been presented so far, what is the position in terms of the impact on both the quality of water and the immediate environment?

Mr Freeman—The authority has not concluded its assessment.

Senator HANSON-YOUNG—When do you think that would be?

Mr Freeman—Assuming the additional information we requested from South Australia comes forward, it will be made in the next few weeks.

Senator HANSON-YOUNG—You have requested more information. Is that request able to be tabled?

Mr Freeman—Basically, these are iterative processes. Inevitably, when someone puts forward a submission, there will be questions about time frames and finer detail on some elements. It is probably inappropriate to table any information until we make a decision.

Senator HANSON-YOUNG—What types of things were you looking for that needed expansion?

Senator Wong—That is really asking the same question as you have asked previously. You are asking verbally in relation to something Mr Freeman has said that he does not wish to table for some very cogent reasons. I do not think it is a different question.

Senator HANSON-YOUNG—No. There is the issue of getting the actual document presented and there is the idea of understanding where, perhaps, the commission is believing

that we need some more information in order to determine a position. It is about where the priorities are and where issues are more sensitive in terms of the environment and water quality. I do not think it is a difficult question.

Senator Wong—When did the authority receive it?

Mr Freeman—We received the information on 13 May.

Senator HANSON-YOUNG—That is when you asked for it.

Mr Freeman—That is when we received the proposal that is now being assessed.

Senator HANSON-YOUNG—You have since gone back and asked for more?

Mr Freeman—Some clarification.

Senator HANSON-YOUNG—Within the next few weeks you think you will be able to make a decision based on the fact that you have asked the state government to give you some more information?

Mr Freeman—That is correct.

Senator HANSON-YOUNG—Did you give them a deadline?

Mr Freeman—Not that I can recall, but the information has been forthcoming very quickly.

Senator Wong—I am sure you are aware of this, but this is obviously a different process from the formal statutory processes under the EPBC Act that you are familiar with.

Senator HANSON-YOUNG—I cannot refer to the act to find what the time frames are so that is why I am asking.

Senator Wong—This is not an EPBC Act issue.

Senator HANSON-YOUNG—I understand that. That is why I am trying to clarify what time frames the commission has set down in terms of getting that information back from the state government.

Mr Freeman—I am not aware of any time frames, but there has been no difficulty. Basically it has been an iterative process. I think 'additional information' may, in fact, give it a status that it probably does not deserve. It is clarification of issues within the proposal.

Senator HANSON-YOUNG—In your opinion, you believe that you will be able to formulate a position and an opinion based on the environmental impacts and the impact on the quality of water within the next few weeks, given the fact that you believe the state government will continue to be forthcoming with that extra information to clarify?

Mr Freeman—Yes.

Senator HANSON-YOUNG—Thank you.

CHAIR—Are there any further questions for the authority?

Senator HEFFERNAN—Yes.

CHAIR—As long as it is to the authority, Senator Heffernan.

Senator HEFFERNAN—Yes. In the event of a non-catastrophic rain event in the Murray and the Goulburn system, what is the contingency plan, the reserve, the estimated availability of water and how long can you maintain its flow in the next 12 months?

Ms Kruk—I will ask Dr Horne to answer that question. This is a time for the Murray-Darling Basin Authority. I am a bit conscious of that.

Senator HEFFERNAN—I don't mind. Go for your life. You know what we are talking about here. We are talking about a failure of these major river systems in the event of a possible non-catastrophic rain event. I would like to know what reliability and reserve is left in the system and what the plan is for Adelaide's water supply in the event of failure of some of these systems? What are the reserves that are in the system at the present time? We know the Hume Dam is actually draining.

Senator Wong—I will ask both Dr Horne and Mr Freeman, particularly on contingency arrangements, to respond to that. You are correct; we are facing extremely difficult circumstances, particularly in the southern basin, which I think you are acutely aware of, and we have been for some time. The ongoing drought and climate change impacts are significant. The basin, particularly the condition of the southern basin and the level of water storages, reflects that. It is an ongoing challenge and there is no easy solution.

Senator HEFFERNAN—Could you spell out for the committee the contingencies?

Senator Wong—I will go to the officials on the contingency arrangements.

Ms Kruk—It has been the subject of considerable discussion. I will ask Dr Horne to speak to that.

Mr Freeman—It is probably a two-part response. The contingencies are Dr Horne's issue. As far as what resources are in the system, the authority prepares a forward estimate based on minimum inflows. This is the minimum amount of water that flows in from the various catchments for successive months. Based on those minimum inflows and what is currently in storage, there is sufficient water to provide for critical human needs for the coming year for New South Wales, Victoria and South Australia. That is based on what resources are there, plus minimum inflows for each of the 12 months—

Senator HEFFERNAN—What are the minimum inflows you have calculated? Have you taken a pattern from the last three years?

Mr Freeman—No. It is actually the worst ever March, followed by the worst ever April, which normally would not occur in the same year, although in recent years that has become more common. Traditionally they have been spread somewhere over the 117 years of records. We take the worst ever sequence. We also take maximum evaporation.

Senator HEFFERNAN—What is the calculation that you have allowed for inflow in this catastrophic non-rain event scenario? Not the catastrophic rain event, which is what we need.

Senator Wong—Mr Freeman's evidence was the worst ever March, April and so on.

Senator HEFFERNAN—Can you give us an indication of what your figures are for the flow in, say, the Murray and the Goulburn?

Senator Wong—For a year made up of the worst inflows for every single month?

Senator HEFFERNAN—Yes.

Senator Wong—We could do that. We would have to take that on notice.

Senator HEFFERNAN—We have critical human needs, which MJ Fisher will be very pleased to hear about, for 12 months. Given that the Bureau of Meteorology is forecasting a catastrophically dry spring—and I have to declare an interest because we are facing a fourth failure—in the event of a dry spring and in the event of, you say, 12 months critical human needs flow, at the end of that time what is the situation? Take yourself down the track 12 months.

Senator Wong—Do you mean 2010-11?

Senator HEFFERNAN—What is in the system after you have provided critical human needs for the next 12 months with the death row scenario of inflow? In other words, at what stage of the game does the system fail?

Senator Wong—It depends on what you mean. What do you mean by failure?

Senator HEFFERNAN—When the fish have to start to walk.

Senator Wong—Mr Freeman's evidence was that critical human needs for the coming water year have been secured.

Senator HEFFERNAN—There are no figures.

Senator Wong—On the basis of what was said, I can throw to Dr Horne to talk a bit more about those contingency arrangements.

CHAIR—I am conscious that there are other questions of the authority before we get to the issue of the contingency plans, which other senators also have lots of questions on. Perhaps we could finish with questions for the authority. Senator Birmingham.

Senator HEFFERNAN—I have more questions.

CHAIR—I am not sure that you have.

Senator Wong—I think the problem is that contingency arrangements would be with Dr Horne, so we will come back to that.

Senator HEFFERNAN—In the event of that weather forecast and the states still having a veto of the alteration to their contribution to the system, how are you going to manage that?

Senator Wong—These are contingency arrangements. As you are very well aware, state shares was also a policy of your government.

Senator HEFFERNAN—I don't give a rat's whose government it was, because every government—of all persuasions for all times—has cocked this up. In the recent state election in Queensland every Queensland member of parliament was completely gutless on this stuff, and that disgusting 469,000 megalitre proposal for the Lower Balonne for Cubbie is still in the system. It ought to be the subject of a royal commission if that bloody thing is allocated knowing that the system will not stand it. You are going to give them the money, give them the licence and then buy it back. But anyhow—

CHAIR—What is your question?

Senator HEFFERNAN—My question is: what are you going to do about it? This is serious stuff. We are facing a catastrophic failure event, and I want to know what you are going to do about it.

Senator Wong—You correctly raise the extremely difficult situation we face in the Murray-Darling Basin, particularly the southern basin. This government has been working extremely hard on these issues since we were elected and has achieved, for the first time, a basin management structure that goes across state borders. We are purchasing water. We are investing in infrastructure. We are doing, frankly, what should have been done years ago. If you want to ask questions about contingency arrangements, I am in your hands, Chair. I am happy to get Dr Horne to answer. If you want that to be dealt with later then we are happy to take questions to the authority.

Senator HEFFERNAN—We will do it; whatever you think is a fair thing. In the last estimates I asked about Tandau. Someone bought 12,500 megs off Tandau. They paid \$385 a meg. I asked a very simple question: where was the water stored that you bought? The answer came back. This is what you would call a seriously bureaucratic answer: 'Tandau holds water entitlements in the Lower Darling.' Der!

Senator Wong—This is a department question. I am happy to take the questions if nobody has anything for the authority.

Senator HEFFERNAN—I am sorry. I am an interloper here.

CHAIR—I am going to go back to Senator Birmingham to finish his questions for the authority and then we will get on to the other issues.

Senator BIRMINGHAM—We have the authority to finish, then the National Water Commission bill and then your—

Senator HEFFERNAN—I still want to know how you are going to use your authority. You are the new girl in charge—

CHAIR—We all want to know the answer to those questions.

Senator Wong—Is the new girl Ms Kruk or me?

Senator HEFFERNAN—No, you are an old veteran.

Senator Wong—Clearly I look good today. I have not had a lot of sleep.

Senator BIRMINGHAM—The secretary of the department.

CHAIR—Order!

Senator BIRMINGHAM—Mr Freeman is in charge of the authority.

CHAIR—Senator Birmingham.

Senator BIRMINGHAM—Mr Freeman, part of the authority's remit is to manage—and it seems like a long time ago now—the Living Murray initiative. Can you please take me through what progress has been made on the targets set for each of the states and parties to the LMI?

Senator Wong—Is this the agreement that occurred under your government in 2004? I can tell you that it did not progress far prior to our election, but I am sure that we can provide you with some information now.

Mr Freeman—As you indicated, the Living Murray is approaching its completion date. There are essentially three registers of water in the Living Murray. There is a developmental register, which is really about proposed projects, and there are no projects left on that. All proposed projects have either been dismissed or are advancing, so they are now on the other registers.

The eligible measures register lists projects that have passed due diligence. They are true projects and they have some potential to be achieved. There are currently 334 gigalitres on the eligible measures register. They are projects some of which could almost be completed. Once the project is completed it is then audited and it goes on to the environmental water register. The environmental water register lists projects that have actually been delivered. They have been independently audited and the water is secure.

As at the end of April there were 213 gigalitres on the environmental water register, but as I indicated a further 334.7 gigalitres are coming through the system. We estimate at the end of June that there will be 280 gigalitres on that environmental water register. The authority's estimate has always been that by the end of the year we will have 460 to 500 gigalitres—this is by December. An independent audit was undertaken and the independent auditors said they believe that the number is 495. So, 495 gigalitres will be available by December, according to that audit.

Senator BIRMINGHAM—The targets for the initiative were divided between the parties to the initiative. Is that a correct recollection?

Mr Freeman—That is correct.

Senator BIRMINGHAM—So each of the states had individual targets to meet?

Mr Freeman—That is correct.

Senator BIRMINGHAM—Can you take me through how the states have progressed in meeting their individual targets?

Mr Freeman—It is quite a detailed response. South Australia's target was 35 gigalitres. It has 13 gigalitres actually registered on the environmental water register, so that is completed. It has five gigalitres on the threshold of being recorded on the environmental water register. That requires a formal decision. There are 17 gigalitres very close to completion that are expected to be brought forward in the coming months. That would be their total of 35.

Senator BIRMINGHAM—The 17 and the five are both still on the eligible measures register?

Mr Freeman—That is correct, but the five has been ticked off. It is simply a formal decision of ministerial council to acknowledge it on that final register. It has been audited. The 17 is also very close to progressing through the system.

I cannot recall the New South Wales target, but it has some 190 to 215 gigalitres that would largely be expected to be completed by 30 June. However, it has that same issue of getting

them onto the environmental water register. I could probably give you a better break-up if I took it on notice. We anticipate that they will have 190 to 215 in that final number.

Victoria has basically got three packages. They add up to 202 gigalitres. They are all large infrastructure projects, so they are quite different to the other jurisdictions. I think my briefing note may be incorrect in this regard, so it is probably better not to speculate. I will take it on notice because the numbers here do not add up.

Senator BIRMINGHAM—I would appreciate it if you could provide those details on notice. Nonetheless, you expect it to be on the environmental water register by December as estimated by the independent audit—495 gigalitres. Once it is on that register from the state's individual perspective, that is it; they cannot borrow it for any other purposes?

Mr Freeman—One of the recommendations of the independent review was to put that beyond doubt and to make sure it was secure.

Senator BIRMINGHAM—Is that recommendation awaiting a response from the ministerial council or from government?

Mr Freeman—That recommendation is still under consideration. That is correct.

Senator BIRMINGHAM—In the interim, there is some doubt as to whether the states can borrow any water off that register?

Mr Freeman—I do not believe there is. However, the independent reviewer said it should be put beyond doubt.

Senator BIRMINGHAM—That implies there is at least some doubt.

Mr Freeman—In their mind they believe there is some doubt.

Senator BIRMINGHAM—Claims get quite murky as people go through them and I am not going to try to throw the allegations around, but have you looked at claims or suggestions of how Victoria is intending to use any water from its Living Murray savings in relation to the Sugarloaf Pipeline?

Senator Wong—The food bowl stage 1?

Senator BIRMINGHAM—That is correct.

Mr Freeman—I am not aware of these allegations. Living Murray water is managed as a collective. It would not simply be up to Victoria to decide how its savings that are credited to the Living Murray were used.

Senator SIEWERT—It has not been registered yet.

Senator BIRMINGHAM—The suggestion is that water saved through food bowl stage 1 for Living Murray—if it is meant to be registered by the end of this year; I am not sure how that will be the case—prior to being registered next year when they take their first 75 gigalitres of water out of the system would obviously not be savings from stage 2, because stage 2 will not have happened by then. It would in fact be water they claim to have saved.

Senator Wong—This is really not an issue that is fair to address to Mr Freeman. I understand that you have concerns about the pipeline, which has been traversed quite considerably both in the Senate and here. The issues you raise go to some of the EPBC

conditions, and those officers were obviously here before. As you will recall, Minister Garrett issued a range of EPBC conditions.

Senator BIRMINGHAM—I am well aware of the EPBC conditions that were imposed.

Senator Wong—I have just found the brief. The advice I have from the department is that condition 11 excludes water allocated to the Living Water and Water for Rivers program. That was a condition of Minister Garrett's approval. If you want to traverse that issue, though, I do not have those officers present any longer.

Senator NASH—I refer to a letter in September 2008 from you to Minister Garrett. This is probably why it does apply a little bit here.

Senator Wong—From who to Minister Garrett.

Senator NASH—You, I think, Minister.

Senator Wong—Chair, if this issue is going to be traversed I would also need the officers associated with EPBC.

Senator NASH—Yes, that is fair enough.

Senator Wong—They were here prior to dinner. I have not been backward in answering questions about this issue at previous estimates.

Senator NASH—I completely understand that. It is not going to be detailed around EPBC. It just makes the connection that it probably is appropriate for Senator Birmingham to ask a certain amount of questions here that do relate to your portfolio, given that you have stated, quite some time ago: 'Further information could be useful in understanding the sources and security of the water supply during the two years between the completion of the Sugarloaf Pipeline project and the delivery of water from stage 1 for the food bowl modernisation project.'

Senator Wong—Can I see the document from which the senator is reading?

Senator NASH—I am just saying that there is some relativity.

CHAIR—Given that you have quoted from it perhaps you should provide a copy to the minister.

Senator Wong—What document is this? Is this a letter from me to Minister Garrett in relation to the EPBC approval?

Senator NASH—Yes, it is.

Senator Wong—That is my point. I was consulted under the act, as is appropriate. Relevant ministers are consulted. I provided advice, which I think has been traversed in this Senate hearing and I think also in the Senate.

Senator BIRMINGHAM—That is fine. I have gone through that with the EPBC officers extensively, as you know, and there will be questions on notice for them around it as well. Time was tight today so we had to prioritise. Knowing that there is a question mark over the Living Murray aspects, that is why I thought that some questions to Mr Freeman would be in order. We might put some on notice for both.

Senator Wong—If there is a question about the Living Murray condition of the EPBC Act then that is a question about enforcement. If you want to place those on notice to that section of the department then I am sure that the department will consider those questions and provide an answer.

Senator BIRMINGHAM—Mr Freeman, from your perspective do you expect the Victorian government to have put its share of 200 gig on the environmental register by the end of this year?

Senator Wong—I was about to jump, but you asked the question correctly.

Senator BIRMINGHAM—I asked the question you approved of.

Senator Wong—I stopped myself.

Senator BIRMINGHAM—I could feel you coming towards me.

Mr Freeman—Whilst I have some reservations about the number, as I indicated before, the Victorian quantity is anticipated to be delivered by the end of the year.

Senator BIRMINGHAM—Thank you. My last question is not on this issue. I apologise that I just missed the start of Senator Hanson-Young's questions. Obviously you are engaged in consultation with the South Australian government regarding the Wellington weir proposal, associated proposals and how they would impact on the flows. That was the subject of discussion that you had with Senator Hanson-Young. Have you been consulted by the department as yet on any of the EPBC Act approvals that are pending with regard to the Lower Lakes works?

Mr Freeman—Which approvals?

Senator BIRMINGHAM—The approvals for the Wellington Weir and approvals for the flooding of the lakes. Has the department's EPBC Act section consulted MDBA as yet?

Senator Wong—The issue that Senator Hanson-Young was asking about was the process under the Murray-Darling Basin Agreement whereby the authority in relation to works on the river has to provide some approval in relation to proposed works, which I think is the phrase. That is quite separate from the environmental assessment that Minister Garrett requires under the act. In that context, what was your question?

Senator BIRMINGHAM—Just as Minister Garrett consulted you on the decision around Sugarloaf, has the department in its consultation phase consulted MDBA at all?

Senator Wong—He has not made a decision yet.

Senator BIRMINGHAM—I know he has not made a decision yet. That was not the question. Has the MDBA been consulted?

Senator Wong—Has he consulted to date?

Senator BIRMINGHAM—Has the MDBA been consulted yet on any of those applications?

Senator Wong—By Minister Garrett?

Senator BIRMINGHAM—By Minister Garrett or the department?

Mr Freeman—I am not aware of any formal consultation. Clearly the authority had an opportunity to make a submission, but I am not aware of any direct approach.

Senator BIRMINGHAM—The authority, in terms of making a submission to either the guidelines for the EIS or on the draft EIS for any of the proposals, has not chosen to make a submission?

Mr Freeman—The authority made a response that is publicly available—we did not make it in the form of a submission—reminding them of the additional requirements that need to be complied with under the Water Act.

Senator BIRMINGHAM—Thank you.

CHAIR—Are there any further questions for the authority?

Senator HEFFERNAN—Yes. Given the authority is allegedly in charge—

Senator Wong—That is a good way to try to establish relevance upfront.

Senator HEFFERNAN—In the event of the states getting their heads together—

Senator Wong—‘Getting their heads together’?

Senator HEFFERNAN—They could actually tell you where to go, in terms of the reallocation of the system. Do you have the capacity to override with a contingency the ultimate authority of the states under the new authority? The answer is you do not.

Senator Wong—Let us be very clear about pre and post plan. Post plan, the Commonwealth minister does have sign-off on the cap, the sustainable diversion limit. Prior to that, as has been the case under the previous arrangements, changes to state shares have to be by agreement.

Senator HEFFERNAN—That is right. When does the changeover occur?

Senator Wong—When the basin plan is completed—

Senator HEFFERNAN—When is that?

Senator Wong—It is intended to be 2010 under the act. Sorry, 2010 is the proposed plan, from memory, and then 2011.

Senator HEFFERNAN—People have to understand this. The mean flow of the Goulburn is 2,700 gigs. Does anyone disagree with that?

Senator Wong—I cannot recall what the mean flow is.

Senator HEFFERNAN—This year it is going to be down around 300. Do you agree with that?

Senator Wong—No, I do not have those figures in front of me.

Senator HEFFERNAN—In the event of the worst case scenario, which we as farmers are facing up to, you have to have a plan to explain to the bank what is happening, even though we cannot tell them until 2013 whether we are in or out of the bloody carbon trading thing. In the event of the worst case scenario and the fantasy of the 75 gigs of savings that are going to be put into the credit account for the pipe for the sewage flushes in Melbourne, do you have a capacity to override in the catastrophic scenario we are facing?

Senator Wong—Not in the legislation that was passed by the parliament.

Senator HEFFERNAN—The toilets will get priority over the fish growing legs, as it were.

Senator Wong—No. With the critical human needs, we can have that discussion—

Senator HEFFERNAN—Are the fish included in the critical human needs?

Senator Wong—We have had a lengthy discussion about critical human needs under the act. We can go through that again if you wish. As you would know, the legislation which the parliament agreed, including the legislation put forward by Mr Turnbull when he was environment minister and then amended by this government after we achieved agreement with the states, preserves existing state shares. It is not the case that the Commonwealth can simply make decisions to alter those.

Senator HEFFERNAN—They could tell you to go to hell. Is that true? Next year they can tell you to go to hell.

Senator Wong—Under your government that existed as well. To be fair, the issue of critical human needs, which has required a renegotiation of a range of arrangements—Dr Horne could go into the detail of those—has been cooperatively approached for quite a number of years. Do we want to go to critical human needs and contingency arrangements?

Ms Kruk—Minister, we are ready to do that.

Senator Wong—It is up to you, Chair.

Senator BIRMINGHAM—It should not take us long to consider any other commission questions.

Senator HEFFERNAN—In terms of the relevance of the MDBA, you really do not have the capacity to exercise the authority—which we wish you had, by the way—in the event of a seasonal failure this year. We have a serious problem. The Victorian government cannot tell us the solution. No-one can tell me—and I do not want to revisit the net and gross argument on the pipeline—but there is a gross situation compared to the net situation down the pipe, because you have to make allowances for the water that would have gone back into the aquifer and so on under the non-pipe water. Madam Chair, we are talking about getting down to about a 300 gig flow.

CHAIR—I live in South Australia. I do not need to have a lecture about the situation in the Murray-Darling Basin. I am just trying to keep control of this committee. Have we finished with questions for the authority?

Senator HEFFERNAN—No.

CHAIR—Can you ask a question?

Senator HEFFERNAN—I think we will go to the contingency plan. It will make it easier.

Senator Wong—Could we get Dr Horne to talk about contingency arrangements, because clearly we keep going back there? It is much anticipated.

CHAIR—Yes. We will go to contingency arrangements, but I will lead off with somebody else.

Senator BIRMINGHAM—I do not get the impression there are a lot more questions for the authority. I do not wish to pre-empt what happens with the commission, but we do not ever tend to spend hours on the commission. It will not be long before we are into the department wholeheartedly.

Senator HEFFERNAN—I have a final question on the commission.

CHAIR—On the authority.

Senator HEFFERNAN—Sorry, on the authority. It is no longer the commission. In terms of the CSIRO's report on the Condamine-Balonne and the patently obvious problem up there, does the authority have any capacity to do anything about what should be the subject of a judicial inquiry if it goes ahead, that is, the allocation in a system that will not sustain licences? They are about to issue licences based on authorisations in the past. As you have heard me say many times, that 469,000 gig licence for Cubbie is based on water that was mostly overland flow. It was unregulated, unmetered and free. It was taken not by a licence but with authorisation based on a system now under the ROC that is going to give them a licence based on the capacity of the earthworks. In other words, it is the size of the bulldozer that did the works. It has nothing to do with an environmental plan. All the dodgy blokes in the state governments up there of all persuasions dodged it. Can you do anything about it? You know it is wrong. Everyone that I speak to knows it is wrong. Is there not some way we can make some sense out of that, because to issue that licence and then buy it back based on the Toorale price of water values it at \$170 million. That would be a public fraud.

Senator Wong—Under the arrangements included in your government's legislation and now this legislation, as amended, you know that existing property rights have been—

Senator HEFFERNAN—They do not have an existing property right.

Senator Wong—They do.

Senator HEFFERNAN—They have not authorised that. You are going to make the same mistake now with Kingaroy on the Douglas Daly.

Senator Wong—If I can finish. You are dealt the cards you are given. The cards that were dealt, in terms of when we won government, included a range of rights that had been issued, regardless of what people might think of the history of those. We have to deal with those in the best way we can. There is no doubt there is overallocation in the system. The question is: how do you deal with it?

Senator HEFFERNAN—They do not have licences.

Senator Wong—There are a number of ways of dealing with it. We have chosen to go down the path of purchasing from willing sellers. There is a whole range of policy reasons why we have chosen to do that.

Senator HEFFERNAN—I understand that.

Senator Wong—Do I think that if you were doing this again, 20 years ago knowing what climate change would do and looking at the way in which this has been managed, that governments should have done things differently? Of course. But we were elected in 2007. I

have to try, with the help of these good people and those behind me, to try to reduce the amount of extraction from what is an overallocated river system.

Senator HEFFERNAN—I do not dispute that. But we know that they actually do not have a licence. Do you agree?

Senator Wong—No. They have a legal right.

Senator HEFFERNAN—No, they do not. They have an authorisation. They do not have a tradeable financial instrument. They do not have to be issued the licence at all, if you have the political courage to do it.

Senator Wong—That is an issue for the Queensland government.

Senator HEFFERNAN—It is. So, you have your hands tied as the so-called saving grace for the Murray-Darling Basin, as the authority. You can do nothing about it.

Senator Wong—This is the approach that would have been taken under your government if they had ever implemented anything.

Senator HEFFERNAN—I would have been making the same criticism regardless of who it is. I do not give a damn.

Senator Wong—I think I have really dealt with the question. I appreciate where you are coming from. We are dealing with a very difficult and unfortunate situation, a lot of it not of the making of the people in this room, but we have to deal with it.

Senator HEFFERNAN—Almost back to Russ Hinze.

Senator Wong—I would not want to comment on that.

Senator HEFFERNAN—I can. So, there is nothing you can do about it? Is that what you are telling me?

Senator Wong—No, I did not say that. I said that we have to deal with the system as it is now. That is what we are seeking to do through the range of the policies I have outlined.

Senator HEFFERNAN—Is it your intention, with what is now in draft form, to issue these licences based on the earthworks and storage capacity, with no environmental planning? There is no environmental planning. Is it your intention to endorse that and then be called upon to buy the licences back in the system that we know has got 1,500 gigs of on-farm storage with a mean annual flow of 1,200 gigs and these guys have applied for 469,000 gigs of licence, including the inventive commercial-in-confidence arrangement with the downstream neighbour, because she does not have any capacity to store or intercept water. Are we going to wear that? Someone should go to jail.

CHAIR—And the question?

Senator HEFFERNAN—There is nothing we can do about it except say, 'Strewth! That's the Queenslanders.' What sort of a ratbag system is that?

CHAIR—Senator Wong, do you have any further answers?

Senator Wong—I do not think there is anything further on this I can assist you with.

CHAIR—Senator Xenophon, do you have a question for the Murray-Darling Basin Authority?

Senator XENOPHON—Yes. It follows on from Senator Heffernan's line of questioning. In relation to the matters that Senator Heffernan has raised, in respect of the rights or the authorisations that have been referred to, has any consideration been given as to the nature and extent of those legal rights and whether they could be challenged or circumscribed in any way?

Senator Wong—The nature and extent of legal rights in?

Senator BIRMINGHAM—In relation to the Queensland licences that Senator Heffernan has been referring to.

Senator Wong—Are there any further questions to the authority? I will bring other departmental people to the table.

Senator FISHER—Are you still doing that as a contingency?

Senator Wong—This is not a contingency discussion. This is a discussion about—

CHAIR—The Murray-Darling Basin Authority. Senator Xenophon, your question was properly answered by other officers of the department. I think we are finished with the authority.

Senator FISHER—I have a question in respect of critical human water needs. Where would you like me to ask them?

CHAIR—Mr Freeman, is the issue of the definition of 'critical human water needs' part of your bailiwick or not?

Mr Freeman—No.

Senator FISHER—Yes. Minister Wong says it is. Indeed, on 11 March she informed this Senate it was.

CHAIR—We have not got an answer to Senator Xenophon's question. Is there somebody available to answer that question?

Senator Wong—Could you perhaps outline the question again and we will see if we can assist?

Senator BIRMINGHAM—I was afraid you would ask me that.

Senator Wong—This is the Condamine-Balonne.

Senator FISHER—Can the Queensland government do anything about it?

Senator BIRMINGHAM—No. To what extent has the department—

Senator Wong—I have three senators questioning, Chair. I am used to it, but I would like to hear a question.

Senator XENOPHON—Further to the line of questioning asked by Senator Heffernan, has the department or the authority considered the nature and extent of the legal rights in respect of the Queensland authorisations or rights as to whether they could be subject to challenge or be circumscribed?

Senator Wong—I have considered this issue. I would prefer to take that question on notice. Because it does deal with a number of legal rights issues, I do not want to answer and get something wrong. I am happy to take that question on notice. This is in relation to the WRP for the Condamine-Balonne?

Senator XENOPHON—Yes.

CHAIR—Senator Fisher.

Senator FISHER—On or about 11 March, Minister Wong reminded the Senate that further defining the term ‘critical human needs’ and establishing criteria for critical human needs water was the responsibility of your authority, Mr Freeman, under the act. On the same day that Minister Wong informed the Senate of that you were lucky enough to be before one or other of our committees and were able to provide us with some information about the term ‘critical human needs’. I understand that you have indicated that the term, the definition and the criteria may need some further work. Has the authority started that work and, if so, what have you done, with whom and how, to further define the term and establish criteria?

Mr Freeman—There are two areas of work that the authority is undertaking. Under clause 135 of the Murray-Darling Basin agreement the authority has to prepare, as soon as possible, a new schedule that will deal with this issue as a schedule to the Murray-Darling Basin agreement. That work is being undertaken at the moment. It has commenced.

Senator FISHER—When did you start?

Mr Freeman—We commenced that work probably not long after I spoke about this last time. We have been undertaking that work for several months now. It is fair to say that is a complex task.

Senator FISHER—Indeed.

Mr Freeman—It must deal with any opening situation. Contingency arrangements are being made every year to deal with critical human needs, but they have been made with a known starting point. We are now required to draft a schedule that will deal with any undefined starting point. We do not know how much water and how that will be shared in a way to satisfy critical human needs. That schedule is being developed so that it can have effect in the 2010-11 year. That seems a while out. However, basin officials and the department have been preparing contingency arrangements that will be spoken about in the near future, which will deal with the 2009-10 year. The first year that this could have effect would be the 2010-11 water year. It is incredibly complex and work is well advanced.

Senator FISHER—Can you explain ‘work is well advanced’? You said you started several months ago. With whom and doing what? What do you mean by ‘fairly advanced’? When will you deliver an outcome? Will that outcome be public and, if so, when?

Mr Freeman—The outcome will be available for the 2010-11 water year, as I said, and certainly will need to be known well before the start of that year so that people have some certainty around how it will work in the 2010-11 water year.

Senator FISHER—By when do you envisage it will be known?

Senator Wong—Is this the contingency arrangements?

Senator FISHER—This is the critical human needs.

Mr Freeman—There are two tranches of work here. We have talked about one. Under the agreement we have to develop a schedule. I am saying that that schedule will be available for the 2010-11 water year and clearly needs to be known sometime before July.

Senator FISHER—By when?

Mr Freeman—I cannot speculate.

Senator FISHER—Sometime before July?

Mr Freeman—2010. It cannot have any effect prior to that because there are already arrangements being made until then.

Senator FISHER—Yes, regrettably, but keep going.

Mr Freeman—There is a separate piece of work that does not occur under the Murray-Darling Basin agreement. It occurs under the Water Act. That is the issue of giving further detail to the provisions that are already provided in the act. That is the issue that I spoke about.

Senator FISHER—The core human consumption and the non-core—social, economic, national security and so on?

Mr Freeman—That is correct; to ensure that those terms are applied consistently and so on.

Senator FISHER—Indeed.

Mr Freeman—That work needs to be developed as part of the basin plan. We are developing that work-up in accordance with the basin plan timeframes.

Senator FISHER—You gave some answers to Senator Birmingham about consultations and so on, and some to Senator Nash about the basin plan. Do those answers given in that respect also apply to this aspect of work done under guise of the basin plan—the Hume and the timelines?

Mr Freeman—As this is part of the basin plan, it has to observe the processes that are defined in the act for the creation of the basin plan.

Senator FISHER—My question is: is it, and if so, how are they going to unroll in practical terms?

Senator Wong—It seems to me what you are asking, though, is detail about the preparation of the basin plan. Some of that Mr Freeman can assist you with. Some of that, as was discussed with Senator Nash, is obviously issues that the authority more broadly—that is, the chair and part-time members—will also be discussing. There will be a limit to that. You want a lot of specificity—

Senator FISHER—Well, Minister—

Senator Wong—Can I finish?

Senator FISHER—Yes.

Senator Wong—Thank you. Some of that specificity I am not sure Mr Freeman is going to be able to provide you with, or it would be speculative for him to do so until the authority, with its appointed members, has had more time to consider a whole range of issues associated with the implementation of the consultation under the basin plan.

Senator FISHER—You have reminded the Senate that under the act further defining the term and developing criteria, the term being critical human needs, is the job of the authority. You have told us ‘the act provides’. ‘It is therefore a responsibility of the authority,’ you said.

Senator Wong—In the context of the basin plan. The section is: critical human water needs to be taken into account in developing the basin plan. That is the context of this. I am not trying to obfuscate. I am just making the point: Mr Freeman gave evidence earlier about the discussions which will occur within the authority, which has now been fully appointed. He can assist you to a point, but you are asking questions about a process which may not yet have been determined by the chair and part-time members with Mr Freeman.

Senator FISHER—To the extent that you have undertaken some of the process in respect of the schedule under section 135 of the act and to the extent that you have undertaken some work in respect of further defining critical human needs under section 86A, with whom have you been consulting in those two areas and with whom else do you plan to consult?

Senator Wong—The second question goes precisely to the issue I raised.

Senator FISHER—With whom have you consulted, Mr Freeman?

Senator Wong—I have not personally consulted with anyone. I can ask if any of the officers behind me know, or take it on notice.

Senator FISHER—That would be good. As a senator for South Australia, in terms of South Australia’s critical human needs, you referred to it in passing before, but can you confirm that the supply of critical human needs water for South Australia is secure for the next 12 months? Is that what I heard you are doing? We leave that for the next bit, do we?

Mr Freeman—It is probably a two-part answer. Part of it can be referred to the agency. What I have said is that jurisdictions have all saved their critical human needs consumptive component. South Australia has saved its 201 gigalitres.

Senator FISHER—Let us go to the conveyancing component. Is that guaranteed?

Mr Freeman—The conveyance water, based on minimum inflows across the system, is guaranteed.

Senator FISHER—Some weeks ago now you said on Adelaide Radio 891 that that component was not guaranteed for South Australia. You are saying it now is.

Mr Freeman—I am saying that, based on minimum inflows, it is guaranteed. Essentially, the question I was asked was: is the water in the dam? The answer is: no, it relies on minimum inflows.

Senator FISHER—Which remains the situation.

Mr Freeman—It continues to improve. There is no doubt that minimum inflows or even something less than that would still guarantee the delivery of critical human needs. In the last month there has been an improvement above minimums of some 30 to 40 gigalitres, which

has not yet been confirmed. We are tracking above minimum. As we track above minimums, that becomes more and more secure.

Senator FISHER—Contingent on minimum inflows we will get our conveyancing water?

Senator Wong—Which is what was answered in relation to Senator Heffernan. I am going to ask Dr Horne to provide some information about contingency arrangements. But I did want to make this point. My recollection is that this is not a new situation. We have been in this situation before. This is not a new situation—

Senator FISHER—Agreed. But we have a new—

Dr Horne—As the minister said, regrettably we are in probably the third year of a very difficult drought. We are continually testing smaller inflows months by month. Clearly the states and the Commonwealth have had to work closely together over the past three years to ensure that critical human needs have been satisfied and that the water available in the basin, particularly the southern connected basin which is basically the Murray and its tributaries, is used to best effect. There has been a contingency planning group in operation that meets regularly to reassess circumstances. Regrettably over that period the circumstances have not improved much, but I think the group has been able, with the assistance of ministers, to get the water that has been available used effectively and to look far enough ahead to ensure that critical human needs are able to be satisfied, yet also to have one eye on the needs of agriculture as well as the seasons improve.

I make the point right at the beginning about contingency planning, that it is an iterative process. It is not a process where you make all your decisions at the beginning of a season, it is a process by which you reassess how much water is in the tank continually as you go along. At the moment—if I can use the process of where we are in 2008-09 looking ahead to 2009-10—we have had a dry year in 2008-09. It is probably the third or fourth worst year on record. It is a year where critical human needs have been easily satisfied. I start by making that point just to put it in context. Even though it is the third or fourth worst year on record, for critical human needs, as Mr Freeman said, the states have self-declared the amount which they need for critical human needs. For example, for South Australia it is 201. We are talking about those towns and cities that rely on the basin for their water needs. Clearly Adelaide has a great reliance on the basin for its water needs. So, it is South Australia, 201; Victoria, 75; New South Wales, 75, which is around the 350 mark.

Agriculture in this process has already this year been allocated 1,900 gigalitres of water, so clearly even in a very dry year the critical human needs are satisfied first, then the needs of agriculture. Clearly in the contingency planning framework the highest priority is the needs of industry and the needs of the towns and cities. As we said, 350 gigalitres is about what is required plus the conveyance water to satisfy those needs. In order to get to that point South Australia, New South Wales and Victoria have to say, 'Okay, if we leave the Murray-Darling agreement in place, is the outcome that we will get from leaving the agreement in place likely to be the best outcome that we could get?' The answer in the last three years has been, 'No, it is not,' because there are lots of rules in the agreement that, from the vantage point of today in a very dry environment which was not envisaged when the agreement was written, are frankly

quite idiosyncratic and would mean that a very scarce resource would not be able to be used effectively.

The three states with the Commonwealth involved a process of senior officials that looks at this problem. Over the years, we have been meeting to assess how much water is available and what sort of contingency arrangements are required to make most effective use of the water that is available. In doing that, some of the contingency arrangements are really quite simple ones, like making sure that the market operates well so if you have got a small amount of water it can be moved around; and that irrigators, if they do not want to use their water, they can sell their water so other irrigators can use it, if you have a small amount over and above critical human needs. The first thing that we have tried to do is say, 'What do we need to put in place to satisfy critical human needs?' In looking at that, we need to not only look at—

Senator FISHER—Sorry, we need to know what it is.

Dr Horne—We do need to know what it is.

Senator FISHER—We continue to give out water for it and we still do not know what it is.

CHAIR—Senator Fisher! Dr Horne, can you conclude your answer?

Dr Horne—We do need to know what it is. In the context of the discussions which we are currently having in the contingency planning framework, as distinct from the framework Mr Freeman is in, we have taken a certain figure as a given in those processes. Each state has self-assessed what they require for critical human needs. It is a relatively small number compared with, as I said a little while ago, how much water has been allocated for irrigation even in a very dry year. Irrigation has been savagely affected in this dry year.

Senator NASH—I am sorry to interrupt. At the beginning of that you stated that we had been in three years of drought. What are you basing that figure on? For all intents and purposes, it seems an awful lot longer than that.

Dr Horne—Yes, it has been longer than that. I should have said three years of extraordinarily severe drought.

Senator Wong—I think the authority has also said 'the driest three-year sequence'.

Senator NASH—That is fine.

Dr Horne—I apologise for that.

Senator Wong—Unfortunately, the drought has gone on longer than that. We are currently—a good time to be water minister!—in the driest three-year sequence on record.

Senator HEFFERNAN—Is the freight component in the farm water?

Dr Horne—No, it is not in the farm water. It is quite separate. The conveyance water is the water that is required to get critical human needs. Mr Freeman can give us some numbers on the conveyance water in different parts of the system.

Senator HEFFERNAN—The poor fish are going to have to walk as part of the framework.

CHAIR—Senator Heffernan, let Dr Horne finish what he is saying.

Senator NASH—Senator Fisher has the call.

CHAIR—That is my decision.

Senator Wong—I am not sure who has got the call.

CHAIR—I will ask Dr Horne to finish his answer and then I will decide which senator gets the question.

Senator HEFFERNAN—Can you tell us the freight component, just so we have got it in our heads as we go?

CHAIR—This is conveyance.

Senator HEFFERNAN—Yes. How much is the conveyance?

Mr Freeman—Roughly, the conveyance water for the Murray system is 1,000 gegalitres. It is 750 to the South Australian border and then 333 to the Lower Lakes.

Senator Wong—Conveyance alone.

Mr Freeman—That is correct.

Senator HEFFERNAN—Human critical needs is 200 in South Australia?

Senator Wong—It is 351 for the system in total. Is that right?

Mr Freeman—Yes.

Senator HEFFERNAN—And 300 hundred gigs to get it there?

Senator Wong—No.

Mr Freeman—From the South Australian border.

Senator Wong—From the South Australian border.

Senator HEFFERNAN—Yes. To get it through South Australia you need another 300 on top of the 200.

Mr Freeman—Yes, that is correct.

Senator Wong—I thought it was 696 in total.

Mr Freeman—Some of that goes into the Lower Lakes.

Senator Wong—Okay.

Dr Horne—In this framework, we looked to get the system operating as efficiently as possible. There have been a number of market measures that have been taken to achieve that. Beyond market measures, in years which are extraordinarily dry in contingency planning you really have to look and say, ‘Okay, what if we don’t get minimum case or worst case planning as we haven’t consistently in many months over the past three years? What are we going to do if that extra bit doesn’t arrive?’ You need to have some contingencies where you say, ‘Okay, if we don’t have that water, if we haven’t got enough to satisfy critical human needs, we need to, in some way, mine the system.’ I use the word ‘mine’ because when you go to contingencies like that you are really drawing down something that in the future you are going to have to fill back in.

There are two contingencies that I would like to speak to briefly. One would be going to the Snowy and doing an options contract with the Snowy to provide a certain amount of water. If they provide that water this year then it will not be in the dams next year to be used. Another example might be—

Senator FISHER—Adelaide's underground aquifers.

Dr Horne—That is another option. That is not in the construct of our work, but that is a contingency. It might be running down weir pools, for example. Instead of running the river high, you run the river as low as you can. Then, once you have done that, you have to return it in future times.

You have to look at those sorts of options, put them in place, agree to them amongst the group, and once they are agreed to you can go on and ask, 'Okay, once we get to critical human needs being satisfied, what's next? How are we going to manage carryover?' You come to some arrangements about carryover, then you move into areas which are paying back advances. There are different ways that advances between states can be paid back. Basically, at some point in time, you then move out of these extraordinary arrangements to the normal arrangements under the Murray-Darling agreement.

That gives you a sense of contingency planning. It has been an active process for the last three years. We have not quite finished the processes for looking ahead to 2009-10, but I can say that the problems and issues that we were having have now largely been resolved, so we can move ahead. As we move from now through into the early parts of the 2009-10 year, we will start to look at contingency arrangements for 2010-11.

Senator HEFFERNAN—I want to ask a question directly related to that. Dr Horne, you know the science. If we lose between 15 and 20 per cent in rainfall, or a degree in temperature, somewhere between 3,500 gigs and 11,000 gigs go out of the system. Just say that what has been happening in the last three years is actually worse than the long-term forecast for the river. If we lose 3,000 to 4,000 gigs out of the system in the south, how does that stack up with your contingency? In other words, do you have a doomsday in your contingency if we continue to get the weather that we are getting, which is the long-term forecast? At what stage of the game are we in what you call deep trouble? Are you saying if we get another year like this and then it rains like hell we are all right, but if it does not rain like hell and the long-term forecast, in a system that has got 23,400 gigs of mean flow is forecast to lose, for the regrowth of the forest and climate change and 3,500 gigs—

CHAIR—We have got your question. Can we have an answer and then we will move on?

Senator Wong—The current arrangements rely on these matters being agreed between jurisdictions. Those are the current arrangements. I am not speculating about what might happen.

Senator HEFFERNAN—The jurisdictions is one.

CHAIR—Senator Heffernan—

Senator HEFFERNAN—This is very important.

CHAIR—Order!

Senator NASH—We have all got very important questions.

CHAIR—Senator Heffernan, we have had an answer to your question.

Senator HEFFERNAN—We do not have an answer because there is no answer.

CHAIR—Senator Fisher, I understand you have one more question for the authority.

Senator FISHER—Thank you. Dr Horne finished by saying, ‘Then we will move into planning for the year 2010-11.’ Mr Freeman, I understand you to be saying, in respect of the water-sharing arrangements, the schedule will be delivered in time for the 2010-11 year, in particular by July 2010. Will the definition of ‘critical human water needs’, the section 86A definition in the act, be further defined and the criteria thereunder developed in time for the 2010-11 doling out of critical human needs water? When will that work be done by whomever is doing it?

Senator Wong—What section are you referring to?

Senator FISHER—Section 135. Mr Freeman has dealt with that. In earlier answers he said that the schedule will be available from the authority some time before July 2010. That bit of it is done—how much water and how it is shared. I am after the actual definition. What is critical human needs water for and on what basis is it being given out—on what criteria? You have indicated that that is the work of the authority. You have also indicated the authority has not decided the process—with whom and what—yet water will be given out for those purposes for the 2010-11 year and given top priority. When will we know the basis upon which that water is being given out? When will the further work be completed to define ‘critical human water needs’ and to develop the criteria on which it is applied, in the words that you informed the Senate of, Minister, in March this year?

Senator Wong—I think we have got the gist of that question.

Senator FISHER—I hope so.

Senator Wong—Was that in the context of the Basin Plan?

Senator FISHER—Yes.

Mr Freeman—These are two separate pieces of work, although they are dealing with critical human needs. Schedule 1 will continue to use the existing volumes and the existing definitions, which will be in place for the 2010-11 water year. The further work to define and give us clarity to critical human needs is part of the basin planning process. Therefore, you will have a draft of that in mid-2010, and the final Basin Plan will be struck in 2011, which will have the fine detail of critical human needs.

Senator FISHER—Finally, will the inconsistent rules that have been used to dole out critical human needs thus far apply for another 12 months?

Senator Wong—With respect, the phrase ‘dole out’ is somewhat loaded.

Senator FISHER—Indeed.

Senator Wong—I am not sure which state you are accusing of bumping up their critical human needs number, but that essentially seems to be the proposition.

Senator FISHER—The proposition is that states have been able to apply that term as they have seen fit along the way. It is not a case of one state in particular. Mr Freeman has been made aware of evidence given that a piggery in rural New South Wales was allocated water for critical human water needs on the basis that if they did not get it the town would close shop because employment would be shut down. They have very important water needs, but on what basis is that critical human water needs?

Senator Wong—I can answer in terms of the act.

Senator FISHER—This is very old ground.

Senator Wong—It is very old ground. The act states:

- (a) core human consumption requirements in urban and rural areas; and
- (b) those non-human consumption requirements that a failure to meet would cause prohibitively high social, economic or national security costs.

You may not like that definition, but that is the definition that is in the legislation.

Senator FISHER—Experts before the various Senate committees have said they do not like it, because they do not understand what it means.

Senator Wong—It is the law of the land. It is the legislation that you voted for.

Senator FISHER—Yes, ‘l-o-r-e’. Thank you.

Senator Wong—It is the legislation that you voted for.

Senator FISHER—Thank you, Chair. I have had a fair enough go and I do not think I am getting anywhere.

CHAIR—I would like to thank officers of the Murray-Darling Basin Authority.

[8.48 pm]

National Water Commission

CHAIR—I welcome officers of the National Water Commission. I invite questions from Senator Nash.

Senator NASH—I would like to ask some questions around the announcement today of the purchase of the water licence from Twynam Pastoral Company. To whom do I direct those questions?

Ms Kruk—That is a question for the department.

Senator NASH—I will wait for the department.

Ms Kruk—We will be happy to do it at that stage.

CHAIR—Are there any questions for the commission?

Senator BIRMINGHAM—Yes. The commission has some extra funding related to Water for the Future and reform in the Murray-Darling Basin. I gather this extra funding relates to the audit capacity the commission has received under the amendments to the Water Act to audit the operations of the authority, and particularly the development and implementation of the Basin Plan. Is that correct?

Ms Olsson—That is correct. It is to do with the audit function to audit the effectiveness and the implementation of the Basin Plan and the water resource plans.

Senator BIRMINGHAM—That funding commences from the new financial year—\$2.6 million in 2009-10. We are obviously quite some way off the operation of the Basin Plan and still some way off the finalisation of the Basin Plan. What is the role, capacity and planned activities of the commission in those early years?

Ms Olsson—In the first year we will be developing our audit framework. We will consult on those and make them public.

Senator BIRMINGHAM—You will not be auditing or overseeing in any way the actual development phase of the plan. You will be operating in a development phase yourself?

Ms Olsson—That is correct.

Senator BIRMINGHAM—Once the plan is complete, the first audit we can expect from the commission will be presumably 2013, when the plan is finalised, or 2014 with the completion of the first year of operation. When will that first audit be?

Ms Olsson—Under the act we are obliged to have the first audit completed five years from the commencement of the act, which would make it March 2013.

Senator BIRMINGHAM—That is the due date for the first audit?

Ms Olsson—Yes.

Senator BIRMINGHAM—The commission is now going to be tasked and resourced to look at extractions across the basin, so how will the audit process operate?

Ms Olsson—A lot of the detail of how it will operate is going to be developed over the coming years. It is a little premature for me to say what the framework would look like. We are obviously going to draw upon existing benchmarks and processes as much as possible.

Senator BIRMINGHAM—Will the development process that the commission will be undertaking be an internal process or will it involve public engagement or consultation at any stage?

Ms Olsson—It will certainly involve consultation with other expert agencies and I would expect consultation with peak stakeholders. Whether it is a broad public consultation has not yet been settled.

Senator BIRMINGHAM—The authority has gone through a process of initially developing their consultation framework, which will be the framework through which they develop the basin plan. Will the commission be going through similar steps? Will there be a consultation framework and, if so, will that be made public so that comment can be provided back on that if it is deemed unsatisfactory?

Ms Olsson—We are intending to make our audit framework public. The exact process for consultation around that, though, is yet to be developed.

Senator BIRMINGHAM—One of those quirks of parliament and how we in this place work and governments work from time to time is that the commission itself is meant to cease on 30 June 2012. Is that correct?

Ms Olsson—That is the sunset clause in our act, yes.

Senator BIRMINGHAM—We have tasked you with providing annual audits of the authority and the operation of the basin plan starting from March 2013. That must be reassuring at least for those of you in the commission that the parliament is going to have to look somewhat favourably upon your future when the review comes around by the end of 2011?

Ms Olsson—That will be a decision for the government of the time.

Senator BIRMINGHAM—I am sure it will be resolved. That is probably one of those quirks that I just picked up.

Senator Wong—From memory, the sunset clause pre-existed—when the commission was first established.

Senator BIRMINGHAM—Yes.

Senator Wong—As you know, it is not unusual to have sunset clauses around particular institutions.

Senator BIRMINGHAM—Indeed. I am not aware that necessarily any of us noticed the sunset clause when the commission was written into the act and given the audit responsibilities.

Senator Wong—I assume a commission or successor, whatever the parliament determines that to be.

Senator BIRMINGHAM—Indeed. I will go to some of the operations of the commission. The commission has responsibilities in terms of the National Water Initiative around pricing issues. Can you please give us an update on both the urban and rural water pricing work with the states in terms of achieving the outcomes of the initiative on those pricing matters?

Ms Olsson—There was some work done through what was then the National Water Initiative committee, which has now moved under the NRMCO COAG water processes. It is slightly complicated. There were some principles developed and we are no longer running that process. I think those questions are better directed to the department at this point as to where those principles would be up to.

In terms of assessment of state progress in implementing the NWI commitments, we are currently undertaking our second biennial assessment of progress with those matters and we are expecting to deliver that to COAG in August of this year. We will be having a comprehensive look at the pricing commitments and progress towards those at that time.

Senator BIRMINGHAM—Will that report go to COAG this year?

Ms Olsson—Yes, that is correct.

Senator BIRMINGHAM—We can pursue pricing there. Will that report be public?

Senator Wong—That will be a matter for first ministers.

Senator BIRMINGHAM—That will be a matter for COAG?

Senator Wong—I assume so. If that is incorrect we will get you further information. If it is a COAG report that is not a matter Ms Olsson determines.

Senator BIRMINGHAM—If you could confirm that. It becomes hard for us to assess the progress of states if those things are not public. I would hope that it is. I cannot remember now, but I think I read about your first biennial report but I do not know whether it was a summary or the actual report itself. Was that a public document?

Ms Olsson—It was a public document. Under our act there is a presumption that these reports will be made public.

Senator Wong—Are we talking about two different reports? Have I misunderstood your question?

Senator BIRMINGHAM—No. The first biennial report related to pricing matters.

Senator Wong—That is correct, and then there was a subsequent discussion about what will go to COAG. Are you talking about the next biennial report?

Senator BIRMINGHAM—Ms Olsson raised the next biennial report.

Senator Wong—I apologise. I misunderstood the question.

Senator BIRMINGHAM—It is due to go to COAG later this year. We shall await that one. Do we know which COAG meeting or what the timelines that you are working to are for finalisation of the report?

Ms Olsson—We are currently working towards finalisation in August this year.

Senator BIRMINGHAM—You will be finalising in August, and we will assume as usual only one COAG meeting will happen in the second half of the year.

Senator Wong—You never know.

Senator BIRMINGHAM—They do get called more frequently from time to time. In relation to urban water supply options, what work has the commission done to assess the cost-effectiveness of different supply options?

Ms Olsson—We have not done any specific work in terms of a particular location. We have made public some reports on, for example, the cost-effectiveness of rainwater tanks or the various desalination options that may be available. They are all available on our website. We have not, for example, looked at the cost-effectiveness of water supply options for any particular city.

Senator FISHER—Have you rated one against the other? For example, you might have done desalination and you might have done stormwater in that work. Have you rated one against the other, noting that you have not done it for specific locations?

Ms Olsson—Rating them against each other depends on where you are talking about applying them? It is hard to make a broad comparison.

Senator FISHER—So, no?

Ms Olsson—No.

Senator BIRMINGHAM—Did the commission have any say in terms of the development of the government's guidelines for their national urban water and desalination plant. Were you consulted at all?

Ms Olsson—Not that I am aware of, Senator, but if that is not correct I will correct it.

Senator BIRMINGHAM—We can ask the department later unless the minister knows for sure either way.

Senator Wong—No, I would have to take advice on that.

Dr Horne—Senator Birmingham, we will take it on notice. If we can answer it during the course of this meeting we will do so.

Senator Wong—We will check. The commission is not generally program implementation.

Dr Horne—It has got a monitoring role.

Senator Wong—A different role.

Senator BIRMINGHAM—I understand that, that is why I asked purely whether they were consulted on the guidelines, but I would have thought that the expertise of the commission in the work that they have done on urban water supply may have been of benefit in terms of the development of those guidelines.

Dr Horne—Senator, we will give an indication if we can during the course of this committee.

Senator BIRMINGHAM—Aside from the additional funding provided for the MDBA and the basin plan supervisory activities, are there any other budgetary changes to the commission? Is the commission impacted by efficiency targets, the Gershon review—any of those little nasties?

Ms Olsson—The impact of the efficiency targets is a matter we deal with in the normal course of our business, Senator, and we are not anticipating any significant impact from the Gershon review.

Senator BIRMINGHAM—Fine. Thank you, Ms Olsson. That is all I have for the commission.

CHAIR—Thank you. Are there any further questions for the commission?

Senator FISHER—I have a couple, Chair. Dr Matthews, when he was before a committee—I think this one—discussed the commission's work on urban water restrictions and indicated that the commission was doing a review of them. Where is the commission's work at with a view to releasing something? I recollect him saying before July this year; where is the commission's work at?

Ms Olsson—That report was being done by the commission on behalf of the parties for the NWI. It was not something that we had just initiated off our own bat, which means that the COAG Water Sub Group process is in charge of the release arrangements. As I understand it, we provided the final report to the secretariat of that group earlier this month.

Senator FISHER—Earlier this month?

Ms Olsson—That is right.

Senator FISHER—So will that be made publicly available, Minister?

Senator Wong—I will have to take that on notice.

Senator FISHER—Thank you.

Dr Horne—The report would go to the committee and would be considered by the—

Senator FISHER—Sorry, Dr Horne, to—

Dr Horne—The report will go to the Water Sub Group and be considered by the Water Sub Group. It really depends on what they decide to do with it. Under current arrangements, any report that is considered by Water Sub Group would then go to one of the standing committees or to COAG before release. The Water Sub Group—

Ms Kruk—Had you understood that it was linked to COAG?

Dr Horne—No.

Senator Wong—The water subgroup is a—what do we call it?

Ms Kruk—James, do you want to explain?

Dr Horne—The water subgroup is a group that reports to a committee which the minister chairs, which is the Working Group on Climate Change and Water.

Senator Wong—So the water subgroup reports to the working group, which then provides advice or reports to COAG.

Dr Horne—So if the report was agreed and went forward and finally came out the other end then it would be released, but it depends on what the various parties—and by ‘the various parties’ I mean the Commonwealth and the states are all members of that group—and it is a group which operates on consensus, so everybody has to agree to something to go forward.

Senator FISHER—They might not like it if it concludes that backyard water restrictions are blunt instruments which do not achieve the outcome, but why would you not release a study of that nature?

Senator Wong—You are asking a hypothetical about a hypothetical, Senator.

Senator FISHER—I am seeking a guarantee that the report will be released.

Ms Kruk—Dr Horne is not in a position to actually give that commitment, because—

Senator FISHER—The minister might be, though.

Senator Wong—This is a cross-jurisdictional issue. We have actually—

Senator FISHER—Indeed it is.

Senator Wong—If I could finish, Senator. I think you will find we have released a lot of information out of the working group I chair, and obviously we will look at this. The only point I would make is that it is agreed within the group across jurisdictions.

Senator FISHER—So I would hope that this work would be a little different in terms of releasing it.

Senator Wong—No. We have released a lot of information and what I am saying is that the releases of other reports and other information is something that is agreed by the working group. I assume, given Dr Horne’s evidence, that that is the same process that would need to be gone through here.

Senator FISHER—Thank you. Has the commission, Ms Olsson or gentlemen, done any work—does it have a view on the South Australian government's proposal to do away with some backyard water restrictions, upon the realisation of the desalination plant in 2012?

Senator Wong—That is an opinion question, Senator. You are asking the officer a question that is clearly requesting an opinion.

Senator FISHER—Has the commission had any discussions with the South Australian government about that proposition?

Ms Olsson—Not to my knowledge, Senator.

Senator FISHER—Has the commission looked at water infrastructure, in particular stormwater pipes in towns and cities?

Ms Olsson—In what context?

Senator FISHER—Their efficiency or otherwise in terms of carrying stormwater—

Senator Wong—In existing infrastructure?

Senator FISHER—Yes. The context could well be the number of stormwater pipes that seem to burst with regularity in my home state of South Australia, and particularly in Adelaide, so much so that in the previous financial year, there were 30 per cent more breakages—I think it was actually 30 per cent more water was lost through the break in stormwater pipes. I am simply asking whether the commission has done any studies on stormwater pipes, and in particular the impact of breaking stormwater pipes, the impact of age on stormwater pipes, whether those pipes break, perhaps the impact of lack of water use on the retention capacity of pipes that are getting old, of soils that are cracking around them and of the impact of backyard water restrictions which arguably result in surges through ageing pipes that have not been experienced prior to the time of water restrictions.

Ms Olsson—Senator, the only piece of work that I can think of which might be relevant is the performance report that we prepare on the service standards of urban water utilities. I cannot recall, though, whether it specifically goes to the issue of stormwater pipe breakages, but I am happy to take that question on notice.

Senator FISHER—Thank you. That is all Chair, thank you.

CHAIR—That is all the questions for the NWC?

Senator Wong—I wonder whether I could have two minutes, Chair.

CHAIR—After we have dismissed—

Senator Wong—With the NWC? If I could just have literally two minutes.

CHAIR—And then you want to come back to questions?

Senator Wong—No, in the changeover.

CHAIR—Yes, of course, Minister. Thank you very much to the officers for appearing before us this evening. We will have a short suspension while we bring the departmental officers to the table.

Proceedings suspended from 9.08 pm to 9.17 pm

CHAIR—Yes, Ms Kurk.

Ms Kruk—Chair, I am sorry to take up the committee's time at this point, but I would like to make an adjustment to the budget papers. Before I make the statement, may I make it quite clear that there is no impact on the overall budget.

I would like to draw your attention to a rephrasing of funds adjustment, which is identified at page 79 of the portfolio budget statement. Table 3.1.1, on page 79, correctly describes a rephrasing of funds, from programs within outcome 4, as agreed by government in the budget. As shown in the table, the agreed rephrasing retains total funding for existing programs. I stress, again, that there is no impact on the overall budget.

However, the rephrasing between the Sustainable Rural Water Use and Infrastructure program and the Restoring the Balance program is not fully reflected in other tables in the PBS. There is a need therefore for further adjustment in additional estimates, although, again, without overall impact on the overall budget.

CHAIR—Thank you, Ms Kruk. As senators are okay with that explanation, we will then go to questions. Senator Nash. Do you want me to get Senator Heffernan or are you all right?

Senator NASH—If I can really quickly, before Senator Heffernan comes in, move to the question of the purchase of entitlements at Twynam that was announced today. Just correct me if I am wrong: 240 gegalitres, \$303 million. Could you just outline for the committee to start with just what the process was for that purchase?

Ms Harwood—Twynam made what is called a sell offer into our water tenders. It was a compliant offer and we proceeded to take up that offer subject to a full due diligence assessment, and then a master sale contract was agreed. There was an all or nothingness to the purchase which was embraced, that is that a certain number of entitlements had to be approved for transfer before the overall transaction was to proceed. That happened and settlement occurred yesterday.

Senator NASH—Was the all or nothing from their side or your side?

Ms Harwood—Their side.

Senator NASH—That was from their side. Okay, how many different licences were there in what I assume was a parcel of licences?

Ms Harwood—Yes, licences from five different rivers and different prices of entitlement.

Senator HEFFERNAN—Can you table—

Senator NASH—No, Senator Heffernan, you can wait until I have finished. We will get there Senator Heffernan. I am sure you can jump in when I am finished, I will not be very long. At some point. I did not mean directly after. So can you list the five rivers just for the purposes of Hansard, can you?

Ms Harwood—Barwon-Darling, Gwydir, Lachlan, Macquarie and Murrumbidgee.

Senator NASH—Okay, how many separate licences?

Ms Harwood—Well, in licence classes for Barwon-Darling there was unregulated B class and C class and a 'Collymogle' refill, as it is known. In the Gwydir, some general security

and supplementary; Lachlan, general security; Macquarie, general security and supplementary; in the Murrumbidgee, general security and supplementary.

Senator NASH—So now many does that add up to? Sorry to ask you to have to do that.

Ms Harwood—Sometimes there might be several licences associated with a particular property at the same level of security.

Senator NASH—That is exactly what I am trying to get at.

Ms Harwood—The precise number of actual licences entitlements I will take on notice because I have not brought that with me. I have brought the summary bringing it up to security classes and river systems.

Senator NASH—Great. In terms of the value, can you just explain to the committee how you arrived at a value? Was each done separately?

Ms Harwood—Essentially, sort of top down and bottom up. That is, we used our benchmark prices that we have for assessing tenders under the water buyback tender. For some elements of the offer we also got independent valuations where we did not have a large amount of market information to assist us in the evaluation.

Senator NASH—Who gave those to you?

Ms Harwood—I will take that on notice. I did not bring those valuations with me. We got independent valuations, then we looked at the entitlements overall—that is, the total package of entitlements being offered, and it was within our pricing policy. That is, it came out as value for money, the entitlements meeting our environmental criteria in terms of environmental purpose and deliverability and also value for money. It was an assessment that included both the benchmark prices but some independent valuation.

Senator NASH—Just against all of those, over the last 12 months, what allocations were actually placed against any of those licences?

Ms Harwood—I might ask Mr Robinson to—

Senator Wong—We can give you the annual average, isn't it? Average annual allocation. I wonder if we could take the detail of the precise allocation to date on notice.

Senator NASH—Given that it is late and we are tired I will say—

Senator HEFFERNAN—I'm not tired!

Senator NASH—Just hang on a second. But obviously given that there are different licences and different river systems there is going to be a whole—

Senator Wong—I do not want to give an answer that is incorrect, given that this is quite a large purchase, but I think we do have figures on average annual, from memory.

Ms Harwood—The total average annual allocation long term is 106.8 gegalitres.

Senator BIRMINGHAM—Sorry, and what is 'long term' defined by?

Dr Horne—Long term is defined by a liability coefficient that is attached to each licence multiplied by obviously the volume.

Senator BIRMINGHAM—I am glad I asked.

Senator Wong—Yes, Senator I am going to put you and Dr Horne in a room.

Senator HEFFERNAN—The probability of getting a licence—

Senator Wong—Can I say, I will be very blunt with the committee. Dr Horne can talk about coefficients for a while if you would like, Senator Birmingham. I would anticipate that the actual annual allocation for the current water yield would be significantly below that for the reasons we went through previously with Senator Heffernan and, as you know too well, Senator Nash, including a lot of people in your constituency, the state of New South Wales. Allocations—

Senator HEFFERNAN—In the Lachlan, it will be zero.

Senator NASH—Just shush. I know that Bill, just shush.

Senator Wong—Allocations are extremely low. So I am not suggesting that we would be at an average year.

Senator NASH—And I understand that entirely. What I am trying to understand is the allocations that have been there, to then discuss the fact that there will be some water then if there has been some allocation—and, thank you, I look forward to getting this all in detail. There will be some ramifications then of a change in having water removed that has previously been used across those areas.

Senator Wong—We concede that, Senator. Unashamedly, we are removing water from irrigated agriculture to environmental use, and I know you do not agree with all of that, but that is unashamedly the position.

Senator NASH—Exactly, and we will continue to vehemently disagree on the principle of what you are doing.

Senator Wong—Can I just say on that Senator, the Sustainable Rivers Audit in relation to the five catchments where we have bought, for this purchase, Barwon-Darling was identified as poor, the Gwydir is poor, the Lachlan is very poor, the Macquarie very poor and the Murrumbidgee very poor, so I say to you the environmental argument for providing additional environmental allocation through purchasing entitlement is very strong.

Senator NASH—I know that you would, Minister. Now, if we can just ask the questions, we can get it done. We can all ask questions and go home, if we can just do this in an orderly fashion. Given the fact that there will be real water removed from those communities, what process took place in terms of any kind of understanding of what potential social or economic impact that is going to have on those regional communities?

Senator Wong—Senator, the advice I have—and Ms Harwood may be able to provide further information—is that in recent years the company has been moving away from extensive irrigation in any event as a consequence of reduced water availability, and I understood that included a move to more dryland farming. I can ask Ms Harwood to provide you with further information on what was advised to us by the company.

Senator NASH—If I can assist, if it is related to what Twynam have said today, I am already aware of all of that.

Senator Wong—It probably is. I don't—

Senator NASH—In my question, I am not asking what Twynam told you about what they were going to do in terms of future practices; I am asking you what consultation you had with local communities about what the impact they saw would be of removing this real water from those communities.

Senator Wong—In relation to the water purchase program, we have had this discussion previously.

Senator NASH—You're right; we have—

Senator Wong—The government does not put every potential purchase out for consultation with communities. If we did that, it would be a breach in any event of our commercial negotiations—I know you have a broader point around this, Senator, but I would not want to ask the department, when they are engaged in commercial negotiations with willing sellers, to be making that public to third parties. On the issue of the impact on communities: obviously we have had a long discussion about a number of measures the government has put in place including the \$5.8 billion for the investment infrastructure, the \$200 million negotiated with Senator Xenophon for provision to local governments—so there is a range of funding available to reflect our understanding of what is occurring in regional communities. I again also make the point, Senator, and I think you know this well, that the impact on regional communities in the basin currently is far more significantly from the drought and climate change and lack of water availability than from water purchase.

Senator NASH—Absolutely, and we have had this discussion before, Minister—

Senator Wong—I will not traverse it again.

Senator NASH—but you are measuring it against the immediate last few years. What we are talking about is removing the capacity to access that water into the future. I take your premise that the most difficult thing at the moment is drought, and I do not think anybody would disagree with that, but, secondary to that, you are actually removing water permanently. Drought only removes it temporarily. It is a very valid question for the people who live in those communities to ask what impact work has been done on the basis that that water is going to be removed permanently.

Senator Wong—I think I have answered that question, Senator.

Senator NASH—No, I do not think we have. We were just discussing around what Twynam said about what they thought they were going to do.

Senator Wong—And I said we would not consult, in relation to specific negotiations, third parties including members of the community, and it would not be appropriate for us to do so.

Senator NASH—Okay, and I take your point about the consultation. But I am sure there are other ways for various bodies—indeed, ABARE are working on the report at the moment. So there are obviously other ways than walking down the street and talking to people in a local community that would assist the department to understand the ramifications on the ground of this. I take your point that you cannot do that because of commerciality reasons. There must be other ways to at least—

Senator Wong—I think there are two issues—

Senator NASH—I have got one little bit to finish. There must be other ways that at least there can be some modelling done on the permanent ramifications of the removal of this water in those communities.

Senator Wong—I am happy to get Dr Horne to talk, but I wanted to make this point: there is a distinction between the broader issue about how you manage the reform in the basin and consultation on a specific purchase. In relation to the latter, what I am saying to you—and I am happy for departmental officers to gainsay me—is that I would be saying, ‘Minister it would not be appropriate for me to be instructing officers in the middle of a negotiation with, “Can you go and have a chat to the people down the road?”’

Senator NASH—I have accepted that point. But, by the same token, while you say that they are separate, I would argue, Minister, that the end result is exactly the same because both the short-term buybacks and the long-term Basin Plan are going to have a significant impact on families and businesses in our regional communities. So, while you are right that they are two different things, the end result is exactly the same. I know I have mentioned this, and I will keep raising it. To make these decisions without any real understanding of what the flow-on effects are going to be from those policy decisions—

Senator Wong—Senator, I understand that you have a different political view about this, but the difficulty I have with this set of questions is that it assumes a world in which there is water available and a world in which we purchase. The world we are in is a world where we have to adjust to there being less water. You and I can have an argument about how much of what we are seeing in the basin is climate change and therefore a permanent shift and how much is temporary drought, and 10 or 20 years from now someone will know who is right. But the reality is, I think, that the more responsible thing to do with basin communities is to stop pretending that we can go on as we have been. We know we cannot. All the evidence demonstrates that. Even Senator Heffernan previously—whatever my disagreement with him—has pointed out that we are in a different world now. The most responsible thing to do for these communities is to assist communities and industry to adjust to a future where we are likely to see less water. Stopping a purchase program is not going to do that. What we have to do is invest—ensure that industry is more efficient. In my view and the government’s view—and, frankly, the commitment we took to the election—we also have to purchase water because the scientific evidence is so clear about the current state of the basin.

Senator NASH—I think we will agree to disagree on the importance of the fact that we should not be making these decisions until we know what the impact is of removing the water that is currently there, but we can move on. You have just mentioned investment. How much of the funding that has been earmarked for the infrastructure investment in New South Wales has actually been spent?

Ms Harwood—In New South Wales in particular, some aspects I have got in aggregate. From our Sustainable Rural Water Use and Infrastructure program so far we have spent, on hot spots assessment, \$1.4 million; on irrigation modernisation planning assistance, \$2.8 million; on the Menindee Lakes payments out so far, \$1.6 million—

Senator NASH—Sorry, are these payments you have made to the state government?

Ms Harwood—No, sorry; I thought you asked how much is spent in New South Wales.

Senator NASH—Sorry. So this is money that has gone directly to infrastructure projects?

Ms Harwood—Yes, to infrastructure projects or related things like modernisation planning assistance, which is where they work out what it is they are going to do in irrigation.

Senator NASH—Yes, sorry; I should have been much clearer.

Ms Harwood—You asked what had been spent, not committed?

Senator NASH—Yes, sorry; I should have been much clearer.

Senator Wong—Committed or spent?

Senator NASH—Spent.

Senator Wong—Because a lot has been committed to specific projects—

Senator NASH—Yes, I know that.

Senator Wong—well, it's important—but I do not know the state. I have a list of projects.

Senator NASH—I should have been much clearer. If I can be much clearer: the money that has been spent on infrastructure projects on the ground that have commenced.

Dr Horne—That is what she is giving you. That is the data that Ms Harwood is going through at the moment: what has actually been spent.

Senator NASH—Yes. On farm? Are we going to include those as well?

Senator Wong—The one that was only just announced, or the 650?

Ms Harwood—I am going through what has been spent. From the infrastructure program spending, it is—do you want me to go back through it?

Dr Horne—No, we are up to 8.4. I have a tally.

Senator NASH—It is fine. How many of them are there, that have actually—

Ms Harwood—Not too many.

Senator NASH—Lovely. Let us go on, Ms Harwood.

Ms Harwood—Okay: hot spots assessments, \$1.4 million; irrigation modernisation planning assistance, \$2.8 million; Menindee Lakes, which is the large project looking at reconfiguring the lakes, is \$1.6 million spent so far; and the Lithgow recycled water project is \$50,000. On the New South Wales priority projects, we have just signed a deed with New South Wales which gives them the money to get the business cases rolling for the various projects in New South Wales.

Senator NASH—So none of those have actually—

Ms Harwood—And the first payment for that will be made very shortly, and that will be for a quarter of a million dollars.

Senator NASH—So none of those have actually been done and started yet.

Ms Kruk—You understand that it is the responsibility of the states actually to pull together those proposals?

Senator NASH—You are absolutely right.

Ms Kruk—So what Ms Harwood is indicating is that we have actually, I think, provided assistance in a number of instances to help with the business planning, recognising the urgency of getting these works underway. Ms Harwood, that is correct?

Ms Harwood—Yes.

Senator NASH—So all up it is 240 gigalitres for this. Am I right? And the 57 brings the purchase to a total of 297?

Ms Harwood—Yes.

Senator NASH—Is all of that in New South Wales?

Senator Wong—No.

Senator NASH—Can I just have the breakdown of figures of that 297 across the different states?

Ms Harwood—No, I do not—

Senator Wong—We can provide that on notice. It is probably all on the website, but we will provide it on notice.

Senator NASH—Given that you do not have those figures there, 240 out of 297, if we add Toorale and Tandou into that, it is not going to leave much.

Senator Wong—Tandou was a commission purchase.

Senator NASH—Of course. It is not going to leave a whole lot for the other states. Can I just ask what the—

Senator Wong—What do you mean? No, that is not—

Senator NASH—Just hang on one second. What I am saying is, to date, the majority of purchase, obviously especially after today, has been from New South Wales. You were mentioning before, Minister, that it is a whole-of-basin plan, and especially given the cap arrangements in Victoria—I understand the changes to the 10, but what processes are in place to make sure that this is going to be a balanced buyback, especially given Senator Xenophon's acceleration of the buyback program, which could potentially weight the situation in terms of a negative for New South Wales?

Senator Wong—I think I have been clear that the federal government's position is, very clearly, that we would like all states to remove restrictions on trade, because we believe that, frankly, not just the environment but the irrigators are also best served where water can move to where it is most highly valued. I have been public about that since I became minister, I think. Through discussion with Victoria, we have been pleased that Victoria has removed, as you referenced, the 10 per cent. We continue to have discussions with states about the imposition or the maintenance of restrictions on trade, because we do have a view that if we are going through this reform process—and that is what we are doing—it is best for users, whether they are irrigators or environmental users, if those restrictions are not in place.

I am aware of the concerns raised by farmers in your state. I want to make it clear we are not targeting any one state. This particular purchase—it is a large purchase—is an offer from a willing seller where we were able to gain agreement in the manner that Ms Harwood spoke

about. I would also refer you to what Twynam has already said about the impact on economic activity.

Senator NASH—I appreciate that. With the greatest respect, of course Twynam would say that.

Senator Wong—I don't—

Senator NASH—With the greatest respect, they would say exactly that. To be objective and fair also, there is nothing that is requiring them to maintain the current practices whatsoever into the future. While you accept in good faith exactly what they have said, and it may well be true, and I do not discount that, there is nothing to actually bind the seller to maintaining the practices that they have told you that they will.

Senator Wong—But there is no water to bind irrigators currently in New South Wales. Look at Deniliquin. We have had zero allocations. We had zero allocations, I think, for two seasons. Are they still on nine per cent, general security, in New South Wales? That was the last figure I saw.

Senator NASH—I agree.

Senator Wong—That is not a purchase program issue.

Senator NASH—I agree, and a lot of the Lachlan is actually on zero.

Senator Wong—Correct.

Senator NASH—And it has been. It is my patch; I know exactly what it is like. But my point is, when we are discussing what the impacts are, your rationale to the committee is the fact that Twynam have indicated that their practices are not going to change.

Senator Wong—No, that is not right. I am simply making the point that Twynam have made some comments about the transition they are making, but that is as high as I put it.

Senator NASH—Sorry, I must have misunderstood before because I was getting the very strong impression that the decision was made to accept based on the information from Twynam that they were indicating that none of their practices were going to change, that they did not see any jobs being lost through this process.

Ms Harwood—That was not part of the assessment of whether we would buy the water. The water was assessed on its environmental merit.

Senator NASH—So it did not matter if it was going to have an impact on jobs.

Senator Wong—Senator Nash, there is a process that Ms Harwood and her officers have to go through, which is about the assessment according to guidelines of the value for money of a purchase. You are making a broader point which is about water purchase, and quite simply I disagree with you, and the government's policy is not consistent with the way you see it. We see it as being the right thing to do to invest to prepare the basin for the reality of less water availability, which is the reality that many of the people you represent are facing now. Whether or not we chose to purchase water, that reality would still be faced by regional communities. So the question is, what do we do with it?

Senator NASH—But it becomes, Minister, a government induced drought when you take that water away.

Senator Wong—That is just wrong. In a circumstance where you know—and you do know about these issues, Senator—that in the Lachlan, as you said, there are zero allocations, when you know what general security licence allocation licences are in most of New South Wales, it is vastly as a result of the fact that it has not rained. So to talk about a government induced drought when this government is trying to return water to a system which has been traversed by scientists and determined to be under real environmental stress is really playing politics in a way I do not think is appropriate.

Senator NASH—And, Minister, it is exactly—

CHAIR—Senator—

Senator NASH—It is exactly, precisely the opposite, and I will get to my question in a moment, Chair.

CHAIR—I want to talk to you about that.

Senator NASH—But it is exactly, precisely the opposite because the point I was about to make is that those are not my words; they are words coming from people living in regional communities and that is what they said.

Senator Wong—They are in John Cobb's press release today.

Senator NASH—Because they are coming from people in the regional communities, Minister, and that is the point.

CHAIR—Senator, can I ask whether you are close to the end of your questioning? The committee is overdue for a tea break.

Senator Wong—I think it is time in water for political leaders to stop playing politics with it and pretending that things are as they used to be. The fact is we are confronting a situation at the moment that nobody previously has had to confront, if you look at the last 10 years and the last three years. We have gone through in detail in this committee the situation in terms of water availability; we have had CSIRO studies and other scientific studies which confirm the state of the basin. You put questions to me as if we are in an era where there is plenty of water available and the government is just purchasing water because we feel like it. It is simply not true and I think we need to deal with the facts in this situation, not pretend to people that things will be fine if we just wait. I do not think it is responsible.

Senator NASH—I will do the right thing and I will stop there.

CHAIR—Senators, we are well overdue for an evening break.

Senator NASH—I will only need five minutes when we come back, I promise.

Proceedings suspended from 9.44 pm to 9.56 pm

CHAIR—We have one last question from Senator Nash.

Senator Wong—Will it be a Mary Jo Fisher one? It is seven paragraphs.

Senator NASH—It is just one question and it was around the sheer size of this block of purchase in one swoop of the 240 gegalitres being enormous. It is obviously entirely within

the bailiwick of the people who have sold the licence, that \$350 million; it is entirely up to them to use as income as they see fit. Surely, there has to be some recognition that it is taxpayers' money that could well end up in Argentina. The other part of the question is that a lot of the work that has been done with funding that has gone to farmers who have sold some of their entitlement has gone back on the farm for greater productivity and more efficiency. Was consideration given to the fact that it may well have been far more productive in terms of efficiency and saving water to look at smaller parcels, to look at smaller purchases of entitlements when there was a real likelihood that that funding that was going to go back to those farmers was going to go back on farm to increase efficiency?

Ms Harwood—We are doing both. We are investing in infrastructure. We have got projects like the on-farm and doing the water savings coming from exchange for investment.

Senator NASH—I understand that, but this is 240 in one parcel. My question is: was there any consideration given to the fact that with smaller parcels, there was a greater likelihood that that funding was going to go back on farm to improve efficiencies on those individual farms and therefore make those communities more sustainable?

Senator Wong—I would like to be very clear here, Senator, because I think your question presupposes something, and I do not want there to be any doubt about this. These are not the only parcels of water we will purchase. We currently have two tenders open and, as you know, we have already had a previous tender round. This is the single largest purchase that has been made and for a range of reasons it has to be obviously announced as a result of—I think it was listed, was it listed?

Dr Horne—No, they are a family company.

Senator Wong—But there are other smaller purchases, I am sure, that will be progressed as part of the normal tender process.

Senator NASH—I understand there is 258,000 hectares in one parcel, which is quite significant, but I will leave that there.

CHAIR—Thank you.

Senator XENOPHON—This is water purchasing, if I may, Chair.

Senator Wong—I will just make the point, if I could, Senator, that Twynam has made—

Senator NASH—Sorry, I thought you said—

Senator Wong—No, I just wanted to again say, and I know you said this is what Twynam would say, but they have made clear, as I understand what they have said, that this is part of a transition from irrigated crops to more dryland, which reflects a transition they have already been making as a result of reduced water availability. What they do with this money is a matter for them, but I think I made some comments about that too, which are on record.

Senator XENOPHON—Can I ask a question on water buy-backs. Is there a predetermined formula or consideration given as to what proportion of the water will be high security water for the environment or is it a policy decision to predominantly be general security and supplementary water?

Senator Wong—I will ask Ms Harwood or Dr Horne to talk about that—I do not know who it would be. I would make the point, though, that there are obviously more general security licences in the system in total volume.

Senator XENOPHON—So, for instance, if it is a—

Senator Wong—I think I know where your question is going. Perhaps an officer could explain how we go about assessing the different categories and the mix, which is essentially what you are asking, what the right mix is.

Ms Harwood—First of all, we get offered entitlements across a range of reliabilities and types across the basin states. We look to buy a mix of reliabilities, but we have a healthy proportion of general and high security. The different types of entitlement can meet different environmental needs in terms of the times at which those entitlements become available by way of allocation. We are really looking to build a mixed portfolio of entitlements with different levels of reliability.

Dr Horne—Can I add to that at the moment, with the announcement of the Twynam purchase, clearly that is predominantly general security with some supplementary water, but over time as more of the other offers come to be settled, you will see a greater proportion obviously of high security come into the portfolio which is being put together at the moment.

Senator XENOPHON—Further, is there a formula in terms of what proportion of the money of the buy-back will be allocated to be spent in the southern system? Further to that, I know what the minister said in relation to the 10 per cent rule that Victoria has abandoned, but to what extent is Victoria's four per cent cap an impediment to water purchases as part of the water buy-back program, particularly in relation to the southern parts of the system?

Senator Wong—In relation to the first part of the question, I will ask the department to answer. In relation to the second, Senator Xenophon, I do not think I have made any secret of the fact that we regard the four per cent as one of the trading restrictions that we would prefer to see removed. There is no doubt that those sorts of restrictions have an effect on our purchase program. I have been quite open about that.

Senator XENOPHON—Does that mean that, in the event the South Australian government mounts a High Court challenge, the Commonwealth would be a party to those proceedings?

Senator Wong—Do you want the first part of the question answered first? I can answer that question.

Senator XENOPHON—Sure.

Senator Wong—In relation to that question, I have said, also publicly, that if and when such a legal action is taken, the Commonwealth will consider what its view is on that action, including whether or not we would be a party at that time.

Dr Horne—As to the first part of the question, I will not give precise proportions but I will just talk you through the methodology. The methodology is at the moment, and I have said this before here, we see the water purchase program, particularly in its early years, as a lead-in to the establishment of the basin plan to reduce the adjustment that needs to take place when the basin plan comes in. The CSIRO study indicated that the stress in the system is likely to

be more focused in the southern part of the basin than the northern part of the basin. So in each of the valleys in the southern part of the basin we would on average seek to purchase a higher proportion of the water available there, providing it is offered at a reasonable price from the people who are in the market.

Senator BIRMINGHAM—As to the second part of your question, which the minister answered first about the legal challenge, Minister, have you or the department sought advice from the Australian Government Solicitor or Attorney-General's elsewhere in relation to that?

Senator Wong—We do not comment on legal advice, Senator.

Senator BIRMINGHAM—I am not asking what the advice is and I am not asking about advice; I am purely asking whether you have sought any.

Senator Wong—I will take that on notice.

Senator BIRMINGHAM—Thank you.

Senator XENOPHON—Chair, I will have some questions later on in relation to the Victorian food modernisation.

CHAIR—We will take further questions on Twynam and then—

Senator WILLIAMS—I have got questions on Twynam.

Senator Wong—Senator Siewert has been seeking the call for some time, but I will leave that to you, Chair.

CHAIR—Okay. Senator Williams, then Senator Siewert and then Senator Birmingham.

Senator WILLIAMS—Minister, I will bring your attention back to December last year. There was an amendment to the water bill in the Senate. The situation relating to the flood plains of the Murray-Darling Basin which—

Senator Wong—Is this the amendment that the opposition changed its position on?

Senator WILLIAMS—Yes, it was. The amendment basically said, referring to places like the Liverpool Plains near Gunnedah, that mining could not proceed on any of those flood plains until an independent water study was carried out. It was passed in the House of Representatives and accepted, of course. You have committed \$1½ million for the water study on condition that the mining and the state New South Wales government contribute as well. Does the legislation that has passed through these two houses here overrule any New South Wales state planning laws? In other words, because that legislation went through this parliament, can that mining not proceed until that independent water test is done?

Senator Wong—I think you are asking me a legal question—that is, what is the interaction between a specific provision of the federal act and provisions of New South Wales regulation of mining?

Senator WILLIAMS—Yes.

Senator Wong—So I am not able to assist you there. What I would say is that my recollection is that I made clear in that Senate debate that mining remained a matter regulated by the state government.

Senator WILLIAMS—So even though we have passed legislation here that mining could not proceed on that type of country until an independent water study is carried out—pardon the pun—that may not hold water?

Senator Wong—No, I have declined to answer. What I am saying in relation to that proposition is that is essentially a legal argument about what the effect of the provision of the Water Act is against provisions of various state regulations in relation to mining, of which I am not aware. I cannot assist you there, and nor could any of the officers at the table.

Senator WILLIAMS—So, you do not know where I could find out on that situation? It would have to be a legal opinion, would it?

Senator Wong—You are asking for a legal opinion.

Senator WILLIAMS—No, where could I—

Senator Wong—You are, Senator. It is not that I am trying to be difficult. You are actually asking for a legal opinion about what the legal effect of one section of an act is against other state legislation.

Senator WILLIAMS—Minister, do you think it would be possible at some stage you might be able to visit that area later on during the year or something to have a look at that very land? The farmers are certainly very concerned about the effects mining might have on that land.

Senator Wong—Senator, as you will recall, I have announced a contribution to a study of the Namoi catchment surface and ground water resources, which I think was in response if not to your representation, Senator, then certainly to other members of parliament as well as their constituents.

Senator WILLIAMS—So the moneys you committed then were on condition that New South Wales and the mining company contributed as well. I do not think New South Wales has come forward in any way with any money and nor have the mining companies. How do we pursue that issue for having a water study done?

Senator Wong—The Commonwealth money is on the table. I am certainly happy to be flexible about who pays for the other component.

Senator WILLIAMS—This could cost up to \$8 million or \$10 million. Those are the figures that have been given to me.

Senator Wong—We have got \$ 1½ million on the table, which is not an unreasonable amount given that this relates to the activities of New South Wales—obviously New South Wales has an interest as the government that is responsible for regulating mining—and also I think it is two different companies operating?

Senator WILLIAMS—Yes, Shenhua and BHP.

Senator Wong—But we have said what the Commonwealth contribution would be.

Senator WILLIAMS—If the hydrological study is carried out and the study shows clearly that mining would affect the underground aquifers which are tied to the Murray-Darling Basin, is there any way that the minister or you can actually stop mining proceeding? Would it be something that Minister Garrett could pursue under the EPBC Act?

Senator Wong—My recollection of the EPBC Act would be only if the action fell within the purview of that legislation. I think the phrase is ‘controlled action’; that is what seems to be talked about. ‘Matters of national environmental significance’, the secretary advises me.

Senator SIEWERT—Can we go back to the purchase. I am interested in knowing how much we have now spent from the 2008-09 allocation?

Senator Wong—In water purchase?

Senator SIEWERT—Yes, in water purchase. We had the original allocation of money. Then we had the Xenophon allocation of money.

Senator Wong—The Xenophon bring forward.

Senator SIEWERT—How much of that have we spent to date?

Senator Wong—What has been spent on water purchase in the current financial year would be the other way of describing it?

Senator SIEWERT—Yes, that is right.

Ms Harwood—Settled so far is \$301 million for 222 gegalitres.

Senator SIEWERT—So \$301 million for 222 gegalitres.

Ms Harwood—I will run through the expenditure this year. So the Twynam purchase is \$303 million, other settlements from the tender this year settled to date through to full settlement are \$26.9 million, and the payments that come out of restoring the balance funds for Toorale, towards the purchase of Toorale and that secured water there, was \$16.1 million. That adds up to \$346 million.

Senator SIEWERT—So there is about \$80 million left for this financial year?

Ms Harwood—There is actually more after the adjustments in the budget estimates, because to make an offer on water we need to have the money available in the appropriation for that year. So to start the process of buying a parcel of water we need the money on the books, simply. In fact, the total allocated for 2008-09 for restoring the balance is over \$500 million. I can get you the precise figures.

Dr Horne—It is \$599 million and if you add the departmental to that, you get \$612 million.

Senator SIEWERT—Are you going to expend that money in this financial year?

Ms Harwood—We have trades going through all the time in terms of the process. We certainly have sales committed against that money—that is, we have trades coming through that will use that money. It just depends how many of them actually get settled before 30 June. We will have a more accurate picture of the precise amount spent when the financial year closes.

Senator SIEWERT—Presumably that money then just rolls on to the appropriations money available for next year?

Ms Harwood—Yes, it can do so, and in fact we carried some money over from last year into this year and spent that.

Senator SIEWERT—Can I ask you—and I do not know if that is what you are doing in response to the question that Senator Xenophon asked—of the water that has been purchased, are you able to provide us with a breakdown of what is high security and what is general?

Dr Horne—Senator, perhaps we can take that on notice.

Senator SIEWERT—Yes.

Dr Horne—Can I say at the outset that from the end of June we will start to put our purchases on our website on a monthly basis. So, people will be able to see the figures as they increase through the months and you will be able to see on the website the breakdown between general and high security as time unfolds.

Senator SIEWERT—That will be—

Dr Horne—Completed, yes.

Ms Harwood—Once they are completed, yes.

Dr Horne—That is right.

Senator FISHER—How long after you get them will you post them?

Dr Horne—Once we get the ones that are completed in the month before, we will post at the end of the month, so June.

Senator FISHER—So, if you like, a maximum two months after completion?

Dr Horne—That is right.

Senator SIEWERT—I know I have asked this at every estimates for a little while—and I am happy for it to be on notice—but can you give us an update of the districts in Victoria that have now met their cap for the year, where you may have made a purchase and where you have not been able to?

Ms Harwood—Yes, we can. It was 10 last time we spoke; I think it may be more now.

Senator SIEWERT—That is why I am after the update. That would be appreciated. What are the potential purchases that you have not been able to make and the amount of water involved in those purchases?

Ms Harwood—There were 10 districts.

Senator SIEWERT—Ten districts, but what we are trying to find out is how many other districts have now met their cap.

Senator Wong—Can we take that on notice to provide with you the information we can?

Senator SIEWERT—Yes.

Senator Wong—There are two components that you just described in your question, Senator. The first was: in which district do we understand the cap to have been hit?

Senator SIEWERT—Yes.

Senator Wong—The second was essentially: how much water then can you not buy? I am not sure about what we could give on the second, because I am not sure what we would hold

and what relevance it has if irrigators are unable to sell that, but I will see what we can provide on this.

Senator SIEWERT—The relevance is, and you will be aware, and I am not necessarily—

Senator Wong—No, I understand the political relevance, but I am saying that I am not sure what information we have, and also, once the cap has been hit, whether it is appropriate for us to provide information about an irrigator who might have wanted to sell who then made a decision not to sell because she or he could not sell. Do you see what I am saying? I think I understand the tenor of the question. If we can take it on notice, we will provide you with what information we are able to.

Senator SIEWERT—That would be appreciated. Can I go back to the Twynam. Again, Senator Nash may have already asked this on notice. I cannot recall that she did. Could you tell us the gicalitres that are coming from each particular licence?

Senator Wong—That was taken on notice.

Senator SIEWERT—Was that taken on notice as well?

Senator Wong—Yes.

Senator SIEWERT—If you could, that would be appreciated. In terms of the tenders for the northern and the southern basins, could you remind me the amount of money that is involved in the northern tender and the southern tender?

Ms Harwood—There is not a ceiling on them. They are basically a tender that we are accepting offers that meet our guidelines and criteria as they come. The tenders are both open but they do not have a dollar bound around either of them.

Senator Wong—Other than the fact that there is a specific allocation in the budget papers.

Senator SIEWERT—You cannot spend more than what you have got?

Senator Wong—I could, but I would have to go and talk to Lindsay and Wayne, I think. In the circumstances, I think that might be difficult. Generally, we manage it within the portfolio.

Senator SIEWERT—I seem to remember, Minister, you issuing a media release at some stage where you had put more money into the northern tender.

Ms Harwood—Through the licence programs, there was a commitment of \$50 million identified for the northern basin in New South Wales and \$350 million identified for purchases in Queensland, but that was not bound in a particular year. It was to be spent during the life of the program in those areas under the water purchase program.

Senator SIEWERT—Thank you. Earlier you went through the criteria and the process that you go through for purchasing water. What element in there is around its ecological value?

Senator Wong—It is very substantial.

Ms Harwood—That is a key part of the assessment. It is looking for that parcel of water and whether there are environmental assets near to it or to which it can be delivered that are of ecological value and that are in need of water—that there is a need for water at that asset, that

the water parcel that is on offer could go towards meeting that need, and it can be delivered water.

Senator Wong—I can talk to you about how we allocate the water as well.

Senator SIEWERT—Sorry, go on.

Senator Wong—I interrupted you, but I was actually going to say in terms of how water, once purchased, is used, there is a process which also involves getting advice from the states, but the conversation with the states would also the—what are they called?— environmental water user stakeholder committee or something?

Mr Robinson—Water science advisers.

Senator Wong—Water science advisers.

Senator SIEWERT—Presumably you have not had to call on them too often?

Senator Wong—No, they do it, because this is independent of me. This is the Commonwealth Environmental Water Holder statutory authority, so I do not direct.

Senator SIEWERT—Sorry, I meant ‘you’ as in the general use.

Senator Wong—I know.

Senator SIEWERT—How much water have you actually physically allocated?

Senator Wong—If you are complaining about the fact that we have only been in government for this period of time, Senator, and therefore have not bought as much in a couple of years, then I am happy to take that—

Senator SIEWERT—No, I am actually interested to see how the system worked and how much water has actually been released, given the discussions that we have had about drought and climate change.

Mr Robinson—In terms of the water we have allocated this year, there have been a number of announcements about it, but it totals 2.2 gegalitres against the water that has been directly purchased through the program that Mary Harwood manages, and to date we have allocated 7.2 gegalitres as a result of the water that flowed from the Toorale purchase.

Senator HEFFERNAN—How much has flowed from that?

Mr Robinson—At the moment we have allocated 7.2 gegalitres, and we have 1.4 gegalitres yet to allocate.

Senator HEFFERNAN—How did you work out that flow through there? Did you have a gauge there?

Mr Robinson—No. Just a moment, I can—

Senator HEFFERNAN—Did you have a guess?

Senator Wong—No. They are the Environmental Water Scientific Advisory Committee—EWSAC, apparently.

CHAIR—Can I just clarify what question you are answering, Mr Robinson?

Senator Wong—Are we answering Senator Siewert’s question?

CHAIR—Yes.

Senator SIEWERT—I thought we were.

Senator Wong—What was the question?

Senator SIEWERT—I think you have actually answered it, but what I am interested in, Mr Robinson, is that you had answered that it was 2.2 gigalitres. I do recall that I have seen media releases on that occasionally.

Senator Wong—7.2.

Senator SIEWERT—No, it is 7.2 gigalitres from Toorale.

Senator Wong—Yes.

Senator SIEWERT—It is 2.2 gigalitres separate from Toorale is my understanding.

Mr Robinson—Yes.

Senator Wong—2.3 gigalitres.

Senator SIEWERT—2.3 gigalitres, I beg your pardon. I will not get you to go through that list now, but perhaps you could table the list for me, or can I find it on the website?

Mr Robinson—You can find it on the website or I can go through now where it has been used, yes.

Senator SIEWERT—I will not take up the time.

Senator HEFFERNAN—Is that 2.3 you were talking about out of the Warrego or out of the Darling?

Senator Wong—Both, from memory.

Mr Robinson—Both.

Senator HEFFERNAN—What out of each?

Mr Robinson—It was 5,900 from the Darling. There was 5,500—

Senator HEFFERNAN—Was that accredited allocation returned to the system or actual water, because they had a credit in the books but they used the storage water to water their crops?

Senator Wong—No, that is actual water.

Ms Harwood—It is water flow estimate to flow in both rivers and then modelled through, allowing for losses on the way through to Menindee and then down into the Murray.

Dr Horne—And we have used that water.

Senator HEFFERNAN—What allegedly did you get down the Warrego?

Senator Wong—It was 5.9 gigalitres from the Darling.

Senator SIEWERT—Presumably it was 7.2 gigalitres in—

Senator HEFFERNAN—Where did you measure that, because there are no meters there?

CHAIR—Senator Heffernan, it was Senator Siewert's line of questioning; can you let her finish please. Mr Robinson, can you answer Senator Siewert's question.

Dr Horne—Just for the record, it was measured at Forbes Bridge.

Senator SIEWERT—Mr Robinson, how much conveyance water or what shepherding arrangements did you have in place for the 2.3 gigalitres? What shepherding arrangements did you have for that water? Did you need to do that? Did you need to release conveyancing water?

Mr Robinson—No, we did not need to do that for the 2.3 gigalitres.

CHAIR—Senator Birmingham, I am mindful we have only got 35 minutes left and I have got three senators waiting.

Senator BIRMINGHAM—I am happy to use it all myself. I will plough on quickly and you will stop me at some good point, Chair. Can I turn firstly to the Adelaide desalination plant. What is the total Commonwealth contribution now for the Adelaide desalination plant?

Mr Robinson—The total contribution, as announced at the budget, was \$382 million.

Senator BIRMINGHAM—\$382 million?

Mr Robinson—Sorry, Senator, it is actually \$328 million.

Senator BIRMINGHAM—That is fine. I thought if there was an error in someone's figures, it was more likely to be mine.

Senator Wong—We all looked down the table at Mr Robinson.

Senator BIRMINGHAM—Is all of that \$328 million out of the National Urban Water and Desalination Plan?

Mr Robinson—Yes, it is.

Senator BIRMINGHAM—And what is the size of that plan?

Mr Robinson—It is a billion dollars in total.

Senator BIRMINGHAM—It is a \$1 billion plan, so effectively it is a third of the fund?

Mr Robinson—Yes, Senator.

Senator BIRMINGHAM—\$5 million off it. The guidelines of that fund, however, say that financial assistance for approved projects will be capped at 10 per cent of eligible capital costs up to a maximum of \$100 million per project; is that correct?

Mr Robinson—The guidelines also say that there is funding already committed under the plan, including for a desalination plant in Adelaide, subject to the proposal from the South Australian government which meets the plan's criteria. The Adelaide desalination plant and four other projects that were listed in the guidelines were being treated separate from the main competitive process for that particular plan.

Senator BIRMINGHAM—And how many other projects were listed?

Mr Robinson—There were four others.

Senator Wong—Which were consistent with our election commitment, from memory, Senator.

Senator BIRMINGHAM—I think the \$328 million goes above and beyond your election commitment as well.

Senator Wong—No, I think the election policy, from memory, talked about being a financial partner.

Senator BIRMINGHAM—I remember 100 plus 100.

Senator Wong—No, they were previous announcements. I do not have a copy of the election policy here, but the term ‘financial partner’ springs to mind. Simply a commitment to be a financial partner.

Senator BIRMINGHAM—It does ring a vague bell. I can recall it was a vague promise at the time.

Senator FISHER—Are there conditions on the provision of the \$328 million?

Mr Robinson—Yes, there will be. There is, I suppose, a category which is normal project conditions, which is needing to have a project plan, needing to have the capacity to deliver it, et cetera. That project was also assessed against the criteria of the overall plan, and some of those are effectively conditions, yes.

Senator FISHER—So there is a first 50 gegalitres and a second 50 gegalitres in terms of the structuring of the funding. Has the South Australian government formally committed to build the second 50 gegalitres or is the Commonwealth’s promise for the balance of the funding contingent upon that promise being made good?

Mr Robinson—They have announced they are proceeding with the 100 gegalitre plant.

Senator FISHER—As far as the Commonwealth is concerned, they have committed to doing 50 and 50?

Mr Robinson—Yes, Senator.

Senator BIRMINGHAM—Can I just go to the process of that 50 and 50. My understanding is that the first 50 was agreed to with the first \$100 million; correct?

Mr Robinson—Yes, Senator.

Senator BIRMINGHAM—And then my understanding is that the Prime Minister made an offer for a second \$100 million if the size of the plant were doubled; is that correct? I think you were standing next to him somewhere down by the lake.

Senator Wong—I am just trying to consider whether or not that is the right wording. I am trying to remember the PM’s wording. I cannot recall what he said but it was, ‘We are prepared to provide additional financial support.’

Senator BIRMINGHAM—I think there were definitely figures on that—

Senator Wong—Of the \$100 million, yes, absolutely. No, I do not disagree with that.

Senator BIRMINGHAM—Of \$100 million for a doubling of the plant. So how did we go from \$100 million for a 50 gegalitre plant, \$200 million for a 100 gegalitre plant to \$328 million for a 100 gegalitre plant?

Senator Wong—I cannot recall what is the actual amount of the project. It is \$1.8 billion, I am advised. Obviously we are providing a significant contribution but not the lion's share. We did go to the election with a very clear commitment to be a financial partner in this, and I would have thought that senators from South Australia, from a party whose state party, from memory, supports the desalination plant, would be very aware of the importance of South Australia developing water sources that are not entirely reliant upon rainfall.

Senator BIRMINGHAM—Minister, you have not heard a word of criticism from me for the desalination plant nor indeed for the government's support for it, but the question was posed as to how the government went from—

Senator Wong—That was a decision made in the budget and announced in the budget content.

Senator BIRMINGHAM—On what basis was it necessary to go from the \$200 million commitment for a 100 gegalitre plant to a \$328 million commitment for a 100 gegalitre plant?

Senator Wong—As I said, that was a decision in the budget and was consistent with our election commitment to be a financial partner in this project.

Senator BIRMINGHAM—So you cannot provide me with any rationale as to why \$328 million became the magic figure at the end? The state government was perfectly happy building a 50 gegalitre plant for \$100 million.

Senator Wong—No, that is an assumption you are making.

Senator BIRMINGHAM—Building the first 50 gegalitre plant? Are you telling me they were not going to go ahead with that?

Senator Wong—No. It is an assumption about people being happy with certain levels of funding. As I said, I think Mr Robinson has indicated the amount that this will cost. It is a very good project from what I can see. I would be very happy if you could visit the site with us again.

Senator BIRMINGHAM—I will be happy to take up that opportunity, particularly if I get a hard hat and vest, Minister.

Senator Wong—I do not look very good in them. Can I just be clear that it is money allocated. Obviously, the normal processes around due diligence and the other requirements that the Commonwealth puts in place for its projects will still apply.

Senator BIRMINGHAM—Moving on, as we clearly will not get a clear answer as to the \$328 million and how it became that figure, aside from that it was a budget decision. The Nyrstar project, which I am sure, Minister, again you would be familiar with, in Port Pirie in South Australia—

Senator Wong—I am just wondering in the context of this portfolio, not the other, which one you are talking about? The Spencer Gulf.

Senator BIRMINGHAM—This one in regards to their water recycling proposal, which your then shadow minister for water, Mr Albanese, in November 2007 committed that Labor will give the Port Pirie water recycling proposal urgent attention. What urgent attention is being given to the Nyrstar proposal?

Senator Wong—I might have to take that question on notice, Senator.

Senator BIRMINGHAM—Is any attention being given to the Nyrstar proposal?

Senator Wong—I said I might have to take this on notice. There are quite a number of projects that the Commonwealth is funding, as you would be aware, and I do not want to give you incorrect information. I would like to take the question on notice.

Senator BIRMINGHAM—I will have additional questions on Nyrstar that I will place on notice as well, if you do not have any information you can provide at this time.

Senator FISHER—In respect of the BHP desalination plant, in February 2007 the Prime Minister committed to funding it alongside, according to press at the time, ‘a state government commitment of \$160 million,’ said Mike Rann, ‘to the proposed plant,’ and an equal commitment from the federal government of \$160 million. Is the \$160 million still available from the federal government for the construction of a desalination plant under the name of BHP?

Senator Wong—I think it was actually Upper Spencer Gulf desalination plant.

Senator FISHER—Yes, that is right, Minister.

Senator Wong—As with all the election commitments, the \$160 million was budgeted for in the first budget post our election. I understand that the South Australian government has reconsidered its involvement in this project and they are currently investigating other options.

Senator FISHER—So the federal government’s commitment does not stand to provide equal funding of \$160 million?

Senator Wong—Senator, I do not understand sometimes how I can give an answer and you can so completely misrepresent it in your subsequent question. I just said that the \$160 million was budgeted for in the forward estimates, from memory, in the first budget post our election. It remains available, however the South Australian government, I am advised, has reconsidered its involvement in this project.

Senator FISHER—Okay, thank you.

Senator BIRMINGHAM—Just to be quite clear, if the South Australian government does not proceed, the Commonwealth funding as a matching commitment will not be available?

Senator Wong—Well I think that is something I would need to consider after it was clear what the South Australia government’s position was.

Senator BIRMINGHAM—How many surf life saving clubs have had rainwater tanks installed?

Mr Robinson—Senator, we have approved eight grants for the surf life saving clubs.

Senator BIRMINGHAM—How many?

Mr Robinson—Eight. I do not have all the information with me but they are not all for rainwater tanks, because the guidelines were wider than that.

Senator BIRMINGHAM—Eight grants. I am sorry, this was a \$3 million program, was it not?

Mr Robinson—It is up to \$3 million, yes, Senator.

Senator BIRMINGHAM—Over how long?

Mr Robinson—Over, at the moment, 18 months.

Senator BIRMINGHAM—Over 18 months?

Mr Robinson—Yes.

Senator BIRMINGHAM—Starting from 1 July 2008, or prior to that?

Mr Robinson—Applications opened on 1 October last year.

Senator BIRMINGHAM—And you have only had eight successful applications thus far, totalling \$10,000 each?

Mr Robinson—I believe so, yes.

Senator BIRMINGHAM—Right. So \$80,000 out of \$3 million has gone out the door for surf life saving clubs in rainwater tank grants.

Mr Robinson—Yes, Senator.

Senator BIRMINGHAM—That does not sound like a spectacular success to me.

Mr Robinson—Oh well, October is not all that far away and in quite a few cases the surf life saving clubs need local government approvals, to do things. So there is planning underway. We would certainly hope that the take up would be greater than it is but we will keep it under review as we go through.

Senator BIRMINGHAM—How many have you budgeted for this financial year?

Mr Robinson—I would have to take that on notice, Senator.

Senator BIRMINGHAM—If you could come back to me on that?

Senator Wong—Because it is a subcomponent of the broader program. So the budget figures at the moment are both, are they not?

Mr Robinson—Yes, Senator.

Senator BIRMINGHAM—If you could come back to me, certainly Mr Swan has been shovelling the money out of the door in that time since October.

Senator Wong—I am sorry?

Senator BIRMINGHAM—I said, Mr Swan has been shovelling the money out the door since October.

Senator Wong—Well this is a grant process, so people do have to apply.

Senator BIRMINGHAM—As actually are a lot of the stimulus payments.

Senator Wong—This was not a stimulus payment, this was an election—

Senator BIRMINGHAM—I know it was not, Minister, but of course the stimulus payments are undermined when other government programs are slowed down. I am sure that would be the general economic effect.

Senator Wong—I do not think anybody was suggesting that we would have an economic stimulus led by surf life saving club rainwater tanks. It was a measure that was welcomed by surf life saving clubs. We will get you further information if we are able to, Senator.

Senator BIRMINGHAM—Okay thank you, Minister. I am happy to defer elsewhere for a moment.

Senator HEFFERNAN—Could I ask a couple of questions?

CHAIR—A couple of questions, Senator Heffernan, and then we are going to move on—questions, not speeches.

Senator HEFFERNAN—I have not had much to say about the Twynam water, because I do not know enough about it and I would like to get details of the break-up of the water and especially the price of this supplementary water. Have you got the details of the supplementary water price?

Senator Wong—I think we have taken all of that on notice, Senator.

Senator HEFFERNAN—Have you not got them there?

Senator Wong—I prefer, because of the number of licences—

Senator HEFFERNAN—Just the supplementary, if you could just give me—

Senator Wong—If we are able to provide all of that information, I would appreciate that.

Senator HEFFERNAN—All right. I understand it is 50,000 megalitres on the Lachlan, which is a terminal river as you know. I read in the paper today that the with great glee having just purchased Booligal Station for a lot more than it was worth from a very tough lady, that that water is going to go down there to what is an artificial wetland on the Merrimajeel Creek. The Merrimajeel Torriganny Creek system splits into two; there is the Muggabah and the Merrimajeel. Down the Merrimajeel there is an artificial ibis set up. What I want to know is, is the report correct that that water would be allocated down the Merrimajeel, and if it is allocated down the Merrimajeel against the natural flow of the creek system, will the people on the Muggabah Creek system—and I declare an interest because I have got a place down there.

Senator Wong—I was going to say, do you not know something about this area?

Senator HEFFERNAN—I certainly do.

Senator Wong—I had a feeling you do.

Senator HEFFERNAN—What will be the break-up between the wetlands, which are the proper wetlands in the terminal end of the creek in places like Juanbung, which by the way is a Twynam property, and the creek system at Booligal? Is there a plan for the break-up?

Senator Wong—We will have to take that on notice.

Senator HEFFERNAN—You will take it on notice, thank you very much, because obviously there is a serious deficiency in the Lachlan River. As we all know, it is just bloody dreadful. So buying the water if it was off Jemalong, I presume that is where the Twynam's offered the water up. They actually own the bottom of the river, they own Juanbung, which they attempted to sell to the government, in another government's time at double the price, the

same as you have paid one and a half times the proper price for Booligal. What will be the break-up?

There is no question that the ibis rookery on the Merrimajeel Creek is an artificial wetland caused by a structure in the river which artificially diverts the water and there is an intention to put more structures in the river so you can control the water down one creek and not down the other. So you are going against nature—like the Lower Balonne—there is no talk of compensation for the flood-plain people, so that is one question.

My other question is if the Queensland government continues to be gutless, the same as the Queensland coalition government before it and they go ahead and convert the draft ROP for the Lower Balonne into financial instruments, and as part of that they issue the licence for 469,000 megalitres for Cubbie—including the downstream neighbour Leith Bouilly, who actually does not qualify under any of the terms of the process, which she chaired allegedly as the independent chair, and made recommendations on the allocations of the licence and then found herself mysteriously on Cubbie's licence in a commercial-in-confidence arrangement—if that licence is issued, and then it is put on the market, would that be a licence that the Commonwealth would consider buying?

Senator Wong—That would depend on whether we regarded it as a value for money purchase within the criteria that—

Senator HEFFERNAN—So it would be eligible to be on the consideration list for the Commonwealth?

Ms Harwood—Yes, it could be considered.

Senator HEFFERNAN—I think there should be a judicial inquiry if this happens, but if that licence is—

Senator Wong—Your concern is with the Queensland government's role.

Senator HEFFERNAN—I have not spoken to anyone that thinks it is right but I have not spoken to anyone that thinks they have the guts to do anything about it. So what I am saying is I think it would be a serious fraud, Madam Chair, of the public purse, if that licence is issued, which is clearly unsustainable. They still have about a 60,000 megalitre extraction licence for which there are no metres or anything, it is all jiggery pokery, in that system. It is first in, best dressed and bugger the rest. That is why poor old Balandool which is downstream on the Culgoa River is for sale, it has 100,000 megalitre storage and never gets any water because there is never any overflow that goes past the Culgoa Weir. You are saying to me that this property with that licence, which is issued against the best of environmental advice, would be eligible to be purchased by the Commonwealth?

Senator Wong—Senator, there are two issues here. One is your view about the appropriateness or otherwise of a licence being issued under that ROP, and I understand your view about that. The second issue is how the Commonwealth approaches purchases. Any vendor within the southern or northern basin is able to put an offer to the Commonwealth. We would consider that offer against the criteria that we have already outlined. The rules would not differ depending on who offered it.

Senator HEFFERNAN—So if the science that the Commonwealth may provide in due course says that the extractions that are there—which are clearly unsustainable; they have completely destroyed the largest flood plain downstream, a couple of million hectares—and even though we know that this river has an 830 per cent variability and even though we know it has got a 1,200-gigalitre mean annual flow, and we have allowed farmers to build 1,500 gigalitres of on farm storage, we are prepared to give consideration to issuing on that system, which is seriously distressed, Brenda Station and all those places, the biggest water licence ever issued in Australia?

Senator Wong—We do not issue that.

Senator HEFFERNAN—I know, but we are Australians.

Senator Wong—Well, there are a lot of—

Senator HEFFERNAN—How the hell can we sit around and see that happen? It is like someone witnessing shooting your mother.

Senator LUNDY—Is that a question?

CHAIR—Senator Heffernan, thank you.

Senator HEFFERNAN—I just want to make the point that the Commonwealth would give consideration to buying that licence—

Senator Wong—No. I said, Senator—

Senator HEFFERNAN—It would be eligible to be considered.

Senator Wong—We do not exclude people from making offers. We then would assess any offer against the criteria that we have outlined.

CHAIR—Thank you.

Senator HEFFERNAN—Thank you very much for that.

CHAIR—Thank you, Senator Heffernan. Thank you, Minister, you have answered.

Senator HEFFERNAN—Could you, on notice, take the question of how the break up of the 50,000 megalitres on the Lachlan will be distributed?

CHAIR—It is on notice.

Senator Wong—Senator, do I understand from your questions that you think this Twynam was a good purchase or not?

Senator HEFFERNAN—I can tell you. I would have the time to give you a long answer. It is not all there. When I get the details, I will give you the answer.

CHAIR—Thank you. I am going now to Senator Wortley and then Senator Birmingham.

Senator WORTLEY—Can you tell us about progress to date on projects subject to Australian government funding commitments in South Australia's Lower Lakes and Coorong regions?

Ms Harwood—There is a network of pipelines for providing potable and irrigation water. There is a network of pipelines, it is a \$120 million project under the intergovernmental agreement from last July. It is a state priority project with two major components. The first is

a potable pipeline supplying communities in the vicinity of Lake Albert. That potable pipeline is completed and was in fact launched in February this year. The other major project is an irrigation pipeline to supply irrigation water to the irrigation farmers in Currency Creek and Langhorne Creek. That project has completed due diligence, and construction is underway for that project. The aim is for that project to be completed in South Australia later this year.

Senator WORTLEY—Thank you.

Mr Slatyer—In addition, I have responsibility to other projects down there, one is the \$200 million funding for the long-term future arrangements for the Lower Lakes. The first element of that is a \$10 million feasibility study. That study is being undertaken by the South Australian government agencies. The draft of its initial product, which is—I cannot recall the precise name of the product, but it is a substantial consultation document outlining the views about the future status of the lakes and measures that could be implemented. It is currently out for public consultation. That is the situation of that element. The other project I have responsibility for is the \$10 million bioremediation and revegetation project which was announced subsequently. The department is in consultation currently with community groups and the South Australian government agencies about the conduct of that project.

Senator WORTLEY—Do you have a time frame on the one that is out for consultation at the moment?

Senator Wong—The South Australian government document?

Senator WORTLEY—Yes, just an indication of the extent of the consultation period.

Mr Slatyer—I stand to be corrected, but I believe the series of public hearings is now completed and members of the public had until, I think it was, this week to submit written submissions. If that is incorrect, we will let you know separately.

Senator WORTLEY—Thank you.

CHAIR—Thank you very much. Senator Xenophon, did you wish to ask a question?

Senator XENOPHON—Just a couple. Ms Harwood, you mentioned earlier that \$1.6 million has been spent on the Menindee Lakes. I appreciate that it is principally a New South Wales government project with Commonwealth funding. I remember asking some questions about this a few months ago. Can you take on notice the progress of that and what the likely water savings will be in relation to evaporation and whether the project also considers the feasibility of alternative water storages for Broken Hill other than the Menindee Lakes, because that is, I think, a key issue for—

Senator Wong—Yes. I can tell you that it does, but we are happy to take it on notice and provide you with that information.

Senator XENOPHON—Sure. Also, in relation to the north-south pipeline, there is a commitment for a due diligence assessment of the billion dollars for modernising the Victorian irrigation system.

Senator Wong—That is not for the north-south pipeline.

Senator XENOPHON—I am sorry, no it is not—it is the Food Bowl Modernisation Project. I guess some would say—

Senator Wong—There are due diligence requirements in relation to all of them.

Senator XENOPHON—In relation to that and the north-south pipeline, can you advise—again, perhaps, on notice—what the extent of the due diligence assessment is and will it be independently assessed.

Senator Wong—The north-south line pipeline is not subject to Commonwealth due diligence assessment because we did not fund it.

Senator XENOPHON—But in relation to the Food Bowl Modernisation Project?

Senator Wong—For stage 2, we can probably give you broad information about how we would approach due diligence there. We can take that on notice, except Victoria has not yet applied for that funding.

Senator XENOPHON—But you can give an indication of the approach?

Senator Wong—We can give you an indication broadly of how we would approach a due diligence assessment.

Senator XENOPHON—And to what extent there would be an independent assessment as part of the due diligence process?

Ms Harwood—Yes.

Senator Wong—But that is a level of detail that, in the absence of a project coming forward, I am not sure we could provide. Why don't we have a look at it and see what we can give you?

Senator XENOPHON—Sure. In relation to that, in the event that the project does come forward, would it, as a matter of course, include an assessment by an independent third party of the robustness of the project that is being proposed by the Victorian government?

Senator Wong—I see. Can we take that on notice and we will—

Senator XENOPHON—Thank you, Minister.

CHAIR—Thank you, Senator Xenophon. Senator Birmingham.

Senator BIRMINGHAM—Firstly, to follow on from Senator Wortley's question about the \$10 million for bioremediation works on the Lower Lakes: when do you expect agreement for that and when do you expect the money to start flowing—pardon the pun?

Mr Slatyer—We expect agreement to be reached in time that the money will start flowing in the next few weeks.

Senator BIRMINGHAM—It is certainly at least six weeks, probably longer than that now, since Di Bell and other community representatives were here in Canberra meeting with Senator Xenophon, me, Senator Siewert and, most importantly, the minister, saying it was critical that that money started flowing within a six-week period. I think that was the time frame. I would hazard a guess that it was more like eight or 10 weeks ago now. What seems to have been the delay since the—

Senator Wong—Senator, I would not, as a member of a government who did nothing on this have a go on a six-week time frame, seriously. As a member of a party at the moment—

Senator BIRMINGHAM—Come on—is that the best answer you can give?

Senator Wong—No, seriously, I just think—I do not mind you criticising things—

Senator BIRMINGHAM—Minister, it is five to 11 at night. Is that the best answer you can give?

Senator Wong—We will progress this as quickly as we are able. But, seriously, coming from you, when your government presided over the decline of the lakes, the decline of this river system and it did not purchase one single litre of water in the entire period of government—

Senator BIRMINGHAM—I am sorry, I will get Senator Xenophon or Senator Siewert to ask all the questions in future, in the hope that we will not simply get the past government story, okay?

Senator Wong—Oh, I mean really!

Senator BIRMINGHAM—Okay, in future, Senator Xenophon, Senator Siewert, I will give you the list and hopefully we might get sensible answers rather than political answers.

Senator Wong—You are trying to make a political point in what is a very difficult situation, over—I think even on your timing, and I honestly cannot recall what the time frame is, between six and eight weeks. I think really it is little rich coming from a Liberal senator from South Australia whose government did not purchase a single litre in over a decade. So we can provide you with further information about the progress of the \$10 million for bioremediation.

Senator BIRMINGHAM—I am sorry that you would rather that I did not follow up on concerns that constituents from South Australia brought to me when they brought them to you.

Senator Wong—It is not that, Senator. It is because you are playing political games with it and you are being farcical, hypocritical.

Senator BIRMINGHAM—I asked what the hold-up was, Minister, and that is not an unreasonable question to ask.

Senator Wong—Have you managed to get Ms Stone to agree to water purchasing?

Senator BIRMINGHAM—Ms Stone has no power over water purchasing.

Senator Wong—Why don't you go down and tell the constituents that members of the Liberal Party upstream are opposed to water purchasing? Why don't you go and sell that to the people of South Australia? You want to talk to me about representing constituents. Why don't you go and tell the truth to the people who elect you about the fact that your party does not support water purchasing before you come in here and lecture us about what we are doing for the Lower Lakes? The hypocrisy is extraordinary.

Senator BIRMINGHAM—Thank you for that political spin, Minister.

Senator Wong—No, it is not; it is genuine.

Senator BIRMINGHAM—I am sorry I have the gall to come in here and attempt to hold the government to account for the promises that it makes—

Senator Wong—I am happy to be held to account—

Senator BIRMINGHAM—which I thought was the process of the Senate estimates system.

Senator Wong—but I think you, as a senator, should be held to account for the hypocrisy that your party demonstrates. You should tell the truth. Why don't you tell the truth?

Senator BIRMINGHAM—Now, once again, you are engaging in the debate for the chamber. I am happy to have that debate with you.

Senator Wong—No, I'm not. You should tell the truth.

CHAIR—Order!

Senator BIRMINGHAM—It is not the debate for Senate estimates, Minister, you know that.

Senator Wong—Seriously!

CHAIR—Order!

Senator BIRMINGHAM—We are here to talk about the government's spending program, and it is exactly what I was asking a question on. You are the one who chose to turn it into a political debate.

CHAIR—Order, senators and Minister! We have got two minutes. Do you have a question, Senator Birmingham?

Senator BIRMINGHAM—Yes, indeed. We will move along—it is clearly the \$10 million one. On the \$300 million On-Farm Irrigation Efficiency Program for the southern connected system announced in the budget recently, have guidelines for that program been developed?

Ms Harwood—We are developing the guidelines. They will be consulted on in draft form with the industry and then taken through to a final and the program opened.

Senator BIRMINGHAM—When do we expect the guidelines to be completed and released publicly?

Ms Harwood—Within weeks, we will be out consulting on the draft guidelines with industry in the southern basin.

Senator BIRMINGHAM—When will people be able to begin applications?

Senator Wong—After the guidelines have been issued.

Senator BIRMINGHAM—Is there a date that the department is working towards?

Dr Horne—Senator, we have not got a date yet, but we are driving this program as quickly as we can. It is an important program.

Senator Wong—This is an important program.

Senator BIRMINGHAM—Thank you. I will place a raft of other questions on that on notice, because of the time. I think Senator Fisher wanted to squeeze something in.

Senator FISHER—Chair, may I ask one question around the Twynam purchase, please? Has the government or the department discussed with Twynam, or do you plan to discuss with

Twynam, any assistance with stranded assets or any purchase of stranded assets as a result of the agreement to sell water, firstly? Secondly, has the government or the department on its behalf discussed with Twynam the purchase of the land that is subject to the irrigation licences?

Ms Harwood—There are two aspects. Firstly, my understanding is that these properties are staying in agricultural production, and Twynam have already made changes to their operations, moving their cropping arrangements. So essentially they are still in agricultural production. In terms of stranded assets, if you mean irrigation delivery assets—

Senator FISHER—Yes.

Ms Harwood—these are river pumping licences, so there are no stranded assets associated. It is not like on an irrigation scheme with delivery channels or anything. They are direct pumping entitlements into the river. We buy the entitlement as it stands.

Dr Horne—So, in fact, the assets that are not being used, which would be the pumps to take the water onto the properties, are owned by the company itself. It would be up to the company to dispose of those assets as it sees fit.

Senator FISHER—That is what I would have thought, thank you.

CHAIR—Thank you, Senator Fisher. Did you wish to put a question on notice in advance? Good on you. Thank you very much, everybody. That concludes the examination of the Environment, Water, Heritage and the Arts portfolio. I would like to thank the minister and the officers for their attendance. I remind senators that written questions on notice should be provided to the secretariat by Friday of next week. On behalf of the committee, I would like to thank Hansard, Broadcasting and the secretariat for their assistance. I would like to thank other senators for their cooperation—mostly.

I will also entertain a motion, senators, to accept all documents tabled today. Thank you, that has been moved by Senator Wortley. I put that motion. All those in favour? Against? The motion is carried.

Committee adjourned at 11.01 pm