



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

Consideration of Additional Estimates

WEDNESDAY, 21 FEBRUARY 2001

CANBERRA

BY AUTHORITY OF THE SENATE

SENATE

ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY
AND THE ARTS LEGISLATION COMMITTEE

Wednesday, 21 February 2001

Members: Senator Eggleston (*Chair*), Senators Bartlett, Bishop, Bolkus, Calvert and Tchen

Senators in attendance: Senators Bolkus, Calvert, Eggleston, Harradine, Hill and Tchen

Committee met at 9.06 a.m.

ENVIRONMENT AND HERITAGE PORTFOLIO

In Attendance

Senator Hill, Minister for the Environment and Heritage

Department of the Environment and Heritage

Executive

Mr Roger Beale, Secretary

Outcome 1 – Environment

Ms Anthea Tinney, Deputy Secretary

Mr Stephen Hunter, Deputy Secretary

Environment Quality Division

Mr Phillip Glyde, First Assistant Secretary, Environment Quality Division

Mr Peter Burnett, Assistant Secretary, Chemicals and the Environment Branch

Approvals and Legislation Division

Mr Gerry Morvell, Assistant Secretary, Environment Assessment Branch, Approvals and Legislation Division

Mr Wayne Fletcher, Acting Assistant Secretary, Policy and Compliance Branch, Approvals and Legislation Division

Australian & World Heritage Division (including Australian Heritage Commission)

Mr Geoff Bailey, Assistant Secretary, Interim Sydney Harbour Federation Trust

Natural Heritage Division

Mr Max Kitchell, First Assistant Secretary

Strategic Development Division

Mr David Anderson, First Assistant Secretary, Strategic Development Division

Mr Peter Woods, Assistant Secretary, Corporate Relations and Information Branch

Mr Dale Starr, Public Affairs Section, Corporate Relations and Education Branch

Policy Coordination Division

Mr Robert Butterworth, Chief Finance Officer

Dr Don Gunasekera, Assistant Secretary, Policy and Accountability Branch

Australian Greenhouse Office

Ms Gwen Andrews, Chief Executive

Dr David Harrison, Special Advisor, Emissions Trading Group

Mr Phil Harrington, Senior Executive Manager, Sustainable Energy Group
Mr Gene McGlynn, Executive Manager, Sustainable Energy Group
Mr Ian Carruthers, Senior Executive Manager, Greenhouse Policy Group
Great Barrier Reef Marine Park Authority

The Hon. Virginia Chadwick, Chair

Mr John Tanzer, Executive Director

Mr Gregor Manson, Executive Director

Mr Colin Trinder, Director, Parliamentary & Ministerial Liaison

National Oceans Office

Ms Veronica Sakell, Director

Mr Sean Sullivan, Deputy Director

CHAIR—I declare open this public hearing of the Environment, Communications, Information Technology and the Arts Legislation Committee.

On 30 November 2000, the Senate referred to the committee for examination the following documents: particulars of proposed additional expenditure for the service of the year ending 30 June 2001; Appropriation Bill (No. 3) 2000-01; particulars of certain proposed additional expenditure in respect of the year ending 30 June 2001; Appropriation Bill (No. 4) 2000-01; the statement of savings expected in annual appropriations made by Act No. 81 of 2000, Appropriation Act (No. 1) 2000-01; Act No. 82 of 2000, Appropriation Act (No. 2) 2000-01; and the final budget outcome of 1999-2000. The committee is required to consider these documents insofar as they refer to the portfolios allocated to the committee by the Senate on 11 November 1998 and amended on 8 February 2001 and to report to the Senate on or before 27 March 2001.

The committee may also examine the annual reports of the departments and agencies at this time, even if no additional appropriations have been sought. Agencies which are not listed on the program may have written questions on notice directed to them. I remind you that the committee has set 21 March 2001 as the date for submission of written answers to questions on notice.

I note for the record that on 6 February 2001 the Senate adopted changes to arrangements for estimates hearings recommended by the Procedure Committee, which included the abolition of supplementary hearings on additional estimates, with effect from the beginning of 2001.

We will commence with the interstate agencies in the Environment and Heritage portfolios, followed by Environment Australia, then Parks Australia, and conclude with the Australian Greenhouse Office. I will call on questions in the order listed on the running sheet. Departmental officers will not be asked to comment on the reasons for policy decisions or the advice they may have tendered in the formulation of policy or to express a personal opinion on matters of policy. To assist senators and Hansard, I ask all officers to state their name and position clearly when first appearing before the committee.

I welcome the Minister for the Environment and Heritage, Senator Robert Hill, and officers from the Great Barrier Reef Marine Park Authority. Before asking the minister if he would like to make an opening statement, I would just like to advise that it is proposed that this session should run until 1 o'clock. We will have a lunch break between 1 and 2 and we will then have a second session from 2 to 6, and we hope to finish these estimates today at around 6 p.m. So, Minister, do you have an opening statement which you would like to make?

Senator Hill—No.

CHAIR—Thank you, Minister. I would like to call the officers from the Great Barrier Reef Marine Park Authority and welcome them to the table.

[9.10 a.m.]

Great Barrier Reef Marine Park Authority

Senator BOLKUS—Can I start by asking about the review you are conducting in respect of ship safety and pollution prevention measures in the reef? Could you just give us a quick overview of the review, and do you have terms of reference?

Ms Chadwick—Thank you for the question, Senator. The terms of reference of the review were in fact set up by Minister Anderson, and I think we have them precisely with us, but they have been well publicised. The task force comprises me representing GBRMPA; Captain John Watkinson representing Queensland Department of Transport; and, of course, officers of AMSA, including its CEO, Clive Davidson.

We, through a series of meetings and teleconferences, provided some advice to Minister Anderson in mid-December, as was required. Minister Anderson has determined that that interim report not be released. However, it has formed the basis of a discussion paper that has been widely distributed throughout the community and is in fact available on the AMSA web site. Subsequent to that, we have been conducting public meetings up and down the coast; precisely, in Cairns, Townsville and Brisbane. We have met with pilots, community groups, indigenous groups, environmental groups, and in fact, an invitation has been available to the broad community to attend and to make formal submissions. We have a further round of consultations within the next few weeks. We will go back to Townsville and Brisbane to consult further with indigenous groups, and we will be travelling to the Torres Strait to conduct a number of public meetings there with concerned community groups. Submissions are due in by 31 March, and our brief is to report to Minister Anderson by, I think from memory, 29 June or something of that order. It is proceeding well to date, and I think that a lot of valuable information has been gained from those public fora.

Senator BOLKUS—Are there any ongoing implications from the ship—any pollutants, any continuing clean-up problems?

Ms Chadwick—While Gregor Manson, who is our executive director, has been the person who has had direct line responsibility, I can say that, in general terms, we have been working with AMSA, salvage groups, the Queensland Department of Transport and a variety of other agencies in terms of getting the vessel from the reef. I guess in many ways you could say that our main work as a marine park authority swung into action once the vessel was off the reef. We are in the process of spending an estimated half a million dollars, which is on the compacting of rubble so that there is not further damage to the reef, the removal of TBT and plans for the rehabilitation of the reef. I am pleased to say that it is not taxpayers paying for that; it is the ship's insurers.

We have been negotiating also with the Cooperative Research Centre for the reef to see if we can work together to take this opportunity, if we can get some positive from a negative, to monitor the rehabilitation of the reef, given the fairly extensive measures that we have taken to try to get rid of the TBT. Could I also say—without being immodest about our organisation—that, to the best of our belief, this is the first time in the world that such extensive remediation has been undertaken. So it will be an interesting research and monitoring project to see how successful it is in time.

Senator BOLKUS—There are just two follow-up questions to that. First of all, you mentioned half a million dollars from the insurers, but has the Commonwealth had to provide any funding at all for the clean-up?

Ms Chadwick—Only in terms of our own staff. I am unaware, but could I invite Mr Manson perhaps to make a comment?

Mr Manson—As part of the clean-up operations, all of the operational matters were covered by the response mechanisms of the reef plan, which ensures that all of our extraordinary costs—overtime, travel costs, operational matters—are covered by the P&I club, which insures ships against costs and damages and liabilities relating to the recovery of ships. In relation to all of the costs which are extraordinary to the agency in relation to the clean-up, part of the conditions of the permit to allow the clean-up require that the costs to the Great Barrier Reef Marine Park Authority are paid for by the shipping company.

Senator BOLKUS—The other follow-up question is about any continuing implications. Is there a continuing need to get rid of pollutants?

Ms Chadwick—In relation to what we believe is the very extensive and overcautious approach we have taken—as some people in some quarters would say—given that it has not been tried before on this scale, only time is going to tell whether we are successful or not. We strongly believe that trying to provide an environment where the reef can repair itself naturally is probably most in line with the charter of the marine park authority. I guess the best I can say is that we have given it our best endeavours to provide an environment in which that reef can recover.

Senator BOLKUS—I am trying to get a fix out of that answer, Ms Chadwick. Is it your belief as an authority that there are still pollutants present from that incident?

Ms Chadwick—The clean-up has not completely finished, and in many ways I suspect that that is not what you are asking. While the clean-up has not finished, I do not think I or any of my officers could sit here and say that we guarantee that 100 per cent of all TBT has been removed. Taking into consideration the fact that we are scooping up many centimetres of sand, sifting it and taking away skips of sand that we believe may be polluted, I can say with some certainty that on the science available we have given it our best endeavours. If we have missed anything, it is not for lack of trying nor for lack of money and goodwill on the part of the insurers.

Senator BOLKUS—When do you anticipate the clean-up will be finished?

Ms Chadwick—We would hope by the end of March. We had hoped that it would be earlier but, as you would be well aware, it is the rainy season in the north and we have been blessed with a good example of the rainy season.

Senator BOLKUS—I now turn to the Nelly Bay developments on Magnetic Island. As I understand, before the AAT the Great Barrier Reef Marine Park Authority indicated that it thought the boundary of the marine park had been permanently altered as a result of the construction of the finger bund. Is that still your view?

Ms Chadwick—I am well aware that that was the view almost 10 years ago, and it certainly was the view of the marine park authority. In terms of the matter that was more recently before the AAT brought by the North Queensland Conservation Council, that is an issue that has emerged subsequent to that hearing. While I respect its views, I do not necessarily agree with it. Quite obviously, the marine park authority would not have issued a permit for that work if it had held that view. Having said that, I will ask Mr Colin Trinder to

make some comments, because Mr Colin Trinder is in the happy and fortunate situation of having followed the Nelly Bay development for a decade.

Mr Trinder—The finger bund, as it is referred to, was a remnant of the previous failed Magnetic Quays development that was constructed between 1988 and 1990 on the site of the current Nelly Bay harbour proposal. The finger bund is really a remnant of that previous development. Our understanding of what occurred in 1988 was that the original structure proposed for the site where the finger bund is now located was for an island structure joined by a bridge. At some point between 1989 and 1990 a decision was made that the bridging structure would no longer be required and the temporary break wall that joined the small island off the mouth of the marina development was made permanent. Subsequent to the failure of the Magnetic Quays development, Dr John Whitehouse undertook a comprehensive review of the authority's management of the Magnetic Quays development and specifically addressed the question of whether breakwaters that existed at the time should be removed and remediated. He concluded that there would be no useful purpose served by requiring break walls to be removed. Indeed, he also concluded that attempting to remove existing break wall structures would cause more environmental harm.

Senator BOLKUS—When was that assessment made?

Mr Trinder—It was in 1992 in a report by John Whitehouse.

Senator BOLKUS—Can we get a copy of that?

Mr Trinder—Yes, certainly.

Senator BOLKUS—Just going back to the legal technicalities involved here, when you say that the park has been permanently altered, has that been done in a legal sense? Has the boundary been changed in some way?

Mr Trinder—We have conceded that the low water mark has effectively been changed by creating a permanent structure that joins a part of Queensland. This finger bund is about 80 metres long and the area that would appear to have been removed from the marine park by this action of permanently joining this island structure to Magnetic Island would be about 850 square metres, which represents about 2.4 times 10 to the minus seven per cent of the area of the marine park. So it is a very small area. The legal principle upon which we have relied to allow this to proceed is the *de minimus* principle, which assumes that the law is not concerning itself with trivial matters.

Senator BOLKUS—So you have not sought a formal alteration of the boundary?

Mr Trinder—No, no formal revocation or change to the boundary has ever been sought, nor is it our view that it is required.

Senator BOLKUS—So was it the Whitehouse recommendation that led you not to revisit the matter when the Nelly Bay EIS was presented in 1995?

Mr Trinder—That is exactly correct. We took the stand that Whitehouse's recommendations that break wall structures should remain was our starting point for the assessment of the new proposal.

Senator BOLKUS—Was it just on Whitehouse's advice or did you take other advice as well?

Mr Trinder—There have been a number of legal opinions that have been sought over the years about the boundary of the marine park and the effect of reclamations. That advice has been consistent. However, it is our understanding that these are matters that are sometimes

considered by courts and courts do make different decisions from time to time. When considering these issues, our advice is that these boundary issues would really need to be considered on a case-by-case basis if we were going to try to make hard and fast rules about what areas can be removed, or effectively removed, from the marine park by constructing structures like jetties or break walls, or even through natural accretion or erosion of the marine park boundary. The issue is rather complicated, because the boundaries of the marine park are constantly shifting through either natural or human influences to a small degree. It is very difficult to make hard and fast judgments about whether or not a particular structure or the nature of a structure is one that would effectively change the boundary of the marine park.

In relation to the Nelly Bay Harbour development, there is a larger break wall structure, which is about 250 metres long. We have made a judgment that that structure must be joined to the island of Magnetic Island by a bridging structure so that the sea can flow in and out, to avoid having to identify in a legal sense whether or not that larger breakwater is in effect being resumed from the marine park.

Senator BOLKUS—Are you implying by that answer that there might have been some legal impediment to you, for instance, separating the bund from the mainland Magnetic Island in the current proposal?

Mr Trinder—I am not inclined to think that there is any legal impediment to us making a decision to allow the finger bund to remain. Indeed, if it were to be found by a court that this 850 square metre reclamation from the marine park was illegal, the effect of that would be for us to require a trench to be dug at the low water mark to separate the existing structure from the island of Magnetic Island, and that would cause considerable environmental damage, in our view, given that this structure is now colonised by a number of corals and has been stable and environmentally benign for a period of 10 years.

Senator BOLKUS—We had in respect of the current proposal's EIS a number of submissions suggesting that the bund be separated. That actually was not discussed in the supplementary or final EIS. Why was that?

Mr Trinder—I do not know that it was the case that there were a number of submissions that suggested that the finger bund should be separated. I think the discussion at that time was about the main break wall structure rather than the finger bund—that is, the 250 metre break wall at the development. But I will certainly take that on notice and get back to the committee if that is not the case.

Senator BOLKUS—When do you say it was decided not to separate the bund?

Mr Trinder—1989.

Senator BOLKUS—And who made that decision?

Mr Trinder—I believe it was the decision of the then chairman of the marine park authority.

Senator BOLKUS—That was—

Mr Trinder—Graeme Kelleher.

Senator BOLKUS—Can we get a copy of that decision?

Mr Trinder—Certainly. I can supply that to the committee.

Senator BOLKUS—As you say, it was essentially decided on the advice of Mr Whitehouse, or did that advice come later?

Mr Trinder—No, that advice came later. My understanding of the circumstances that applied when that was being considered was that the then developers made application to the marine park authority—oral submissions, I believe—to strengthen that temporary bund between the small island break wall that subsequently became the finger bund because the temporary structure was being damaged by waves, and there was a view that should that temporary structure fail it would cause damage to the other more permanent structures that were being constructed in the main harbour basin at the time. Therefore, a decision was made to allow that temporary structure to have armour rock placed upon it to avoid it being damaged by storms, particularly during the wet season, when the prospect of a cyclone might destroy the whole structure and cause considerable environmental damage.

Senator BOLKUS—So we are then saying that the decision was made on legal advice or on more practical environmental concerns?

Mr Trinder—I am saying that the decision was made on practical considerations and tempered by legal advice that we had in relation to a number of other structures that are built in the marine park, where we had been advised that the de minimus principle would apply.

Senator BOLKUS—The de minimus principle would apply in cases of incidental actions that result in revocation.

Mr Trinder—That is correct.

Senator BOLKUS—And you are saying that what we have got here is one of those circumstances?

Mr Trinder—Yes.

Senator BOLKUS—And do you have legal advice to that point?

Mr Trinder—We have legal advice that where a revocation is incidental the de minimus principle would apply. We do not have any legal advice that I am aware of that applies specifically to this particular structure in the marine park.

Senator BOLKUS—Can we get a copy of that more general advice?

Mr Trinder—It is several items of advice. I will certainly take that on notice.

Ms Chadwick—The principle is not one that we would apply wilfully, frequently or frivolously and really it would be adhered to only in matters that we regarded as very minor.

Senator BOLKUS—Is there no obligation under the GBRMPA Act to alter the area at law, given the fact that—

Mr Trinder—There are obligations where the boundaries of the marine park are being changed to seek assent from both houses of parliament. However, the judgment of lawyers advising the authority is that this would only need to occur in instances where there was a significant revocation, and therefore the de minimus principle applies to these very small revocations. You could argue, for example, that the piles of a jetty effectively change the boundary of the marine park or that construction of revetment walls or of any permanent structure that is put on the mainland of Queensland effectively changes the boundary of the marine park in some small way. Therefore, it is a matter of fine judgment about where precisely you draw the line as to what is acceptable and what is not acceptable. In this case the authority has decided that this structure is acceptable.

Senator BOLKUS—I would not mind seeing that advice, actually.

Mr Trinder—I will take that on notice.

Senator BOLKUS—I think my understanding is that the environmental impacts of separating the bund were never discussed in the EIS. Why was that?

Mr Trinder—The 1995 EIS was started from the point that the structures in the marine park were to remain, so break walls were not considered for removal. These were the recommendations that Whitehouse had made in his 1992 review. So the environmental impact statement was looking at a development that did not contemplate tinkering with the structures that were already in place and completed.

Senator BOLKUS—Mr Trinder, last time you testified that the wet season contingency plan still was not complete. Is that right?

Mr Trinder—Yes. It was not accepted by the authority, although it was complete. It was accepted, I think, two days after the last hearing.

Senator BOLKUS—So it is now in place?

Mr Trinder—It is in place.

Senator BOLKUS—What does it say about the number of construction faces—the layers that could be opened up for development, for instance?

Mr Trinder—I do not believe it says anything about the number of construction faces that can be opened up. What it does say is that construction faces that are opened up must be kept short and that steps must be taken to minimise erosion and sedimentation resulting from earthworks.

Senator BOLKUS—Do you know how many faces are currently identified?

Mr Trinder—No, I do not. As I said, I do not believe that the wet season management plan identifies any number of faces. You could argue that the earthworks that are constructing the harbour is a single continuous face or two faces, from either side of Gustav Creek, which bisects the harbour development.

Senator BOLKUS—Does the plan discuss stockpiling of soils on site during the wet season?

Mr Trinder—Indeed it does.

Senator BOLKUS—And does it set limits for the amount of stockpiled material?

Mr Trinder—It says that any material that is stockpiled must be stockpiled in such a way that it will not result in erosion or sedimentation running into the marine park. In any case, there is no soil stockpiled on the site, so it is an academic question anyway.

Senator BOLKUS—So there is no stockpile now.

Mr Trinder—No.

Senator BOLKUS—And essentially there is no limit as to the amount; it is just a limit as to how it is stockpiled.

Mr Trinder—There is no limit to the amount that can be stockpiled.

Senator BOLKUS—Is that the story?

Mr Trinder—I do not understand the point of your question. There is no soil stockpiled on the site. Therefore—

Senator BOLKUS—Does it not anticipate the possibility of soil—

Mr Trinder—It certainly anticipates the possibility that soil can be stockpiled on the site while the earthworks are occurring, and certainly small amounts of soil have been stockpiled in the past, but there is no soil stockpiled now.

Senator BOLKUS—In anticipating that possibility, does it in any way limit the amount that may be stockpiled?

Mr Trinder—I will take that on notice. I am not aware that it does, but if that is not in fact the case I will get back to the committee.

Senator BOLKUS—Currently we have water in the harbour being pumped out through the discharge pipe: is that right?

Mr Trinder—That is correct.

Senator BOLKUS—And the water comes from Gustav Creek?

Mr Trinder—The water is water that has run off from, I guess, the catchment of the site and from Gustav Creek.

Senator BOLKUS—The turbidity of the water: is that determined by the flows from Gustav Creek?

Mr Trinder—The turbidity of the water would depend upon the nature of the works that were occurring in the harbour basin as it is being excavated and any turbid water that might be present from flows from Gustav Creek, so it would be the combination of those two factors.

Senator BOLKUS—So the discharge pipe discharges approximately a hundred metres out?

Mr Trinder—That is correct.

Senator BOLKUS—And that distance is about some 50 metres from the reef edge of Geoffrey Bay, is it?

Mr Trinder—I believe that it is at least 50 metres from the reef edge, but again I will take that on notice and give you an exact distance.

Senator BOLKUS—And Geoffrey Bay is a green zone?

Mr Trinder—Geoffrey Bay is a marine national park or green zone.

Senator BOLKUS—Is it a fact that the Queensland EPA wanted the discharge pipe to be some 400 metres long?

Mr Trinder—When we were considering the conditions that would apply to the development a number of lengths of pipeline were discussed. The Queensland EPA suggested that a 400 metre pipeline might be appropriate and pumping could occur directly into the Platypus Channel off from Nelly Bay, but because of the reactive monitoring regime that was eventually agreed it was determined that a shorter pipeline would suffice.

Senator BOLKUS—The reactive monitoring regime: you obviously tested the implications of that. What sort of advice did you have before you to lead you to conclude that that would have meant that a hundred metres was sufficient?

Mr Trinder—We sought expert advice from—I believe it was scientists at James Cook University—and coastal engineers, and the reactive monitoring program itself was looked at and developed by well-qualified scientists on the marine park authority staff and in consultation with the Queensland EPA. It was determined that because of the rigorous way in

which all discharges would be monitored from this pipeline it was perfectly acceptable to have a pipeline of that length that would achieve the environmental outcomes that we were seeking—that is, that any possible impacts that would occur to the Great Barrier Reef as a result of discharges from this pipeline would be kept to an absolute minimum, and that has been the case.

Senator BOLKUS—Sinclair Knight Mertz apparently advised that the extra length of piping would cost only \$120,000; is that right?

Mr Trinder—I do not know whether that is correct or not, but obviously an extra length of pipe there would be a cost. I can certainly get back to you.

Senator BOLKUS—Can you check that? Now, in retrospect, do you think the decision was right?

Mr Trinder—Yes, I do, actually. Little purpose would have been served in making the pipeline longer and reducing the amount of monitoring. Because the pipeline is shorter, the monitoring is much more rigorous and we have a much better picture of the environmental parameters that are existing in the immediate vicinity of the discharge, and as a result of that we have a very clear understanding of what the risks are from potential impacts.

Senator BOLKUS—There are turbidity limits for discharge?

Mr Trinder—Absolutely. There are warning levels that are set where monitoring is immediately instituted, and if the monitoring detects that high levels of turbidity are present in the vicinity of coral monitoring sites that we have established, then pumps are immediately shut down.

Senator BOLKUS—How many times has the discharge exceeded the limitations set by the authority?

Mr Trinder—Never, as far as I am aware. As I say, there are warning trigger levels that trigger a management action. That action is either to institute monitoring or to require the pumps to be shut off. So there may well have been instances where, for a very short period of time, turbidity levels may have momentarily exceeded the triggering levels that have been established but the monitoring has failed to detect any impacts.

Senator BOLKUS—I am trying to work out how that latter part of your answer is compatible with the first part. You are saying that there has never been discharge exceeding the deemed levels; is that right?

Mr Trinder—Not that I am aware of. However, it does obviously take a matter of minutes to shut pumps down and you could not say with absolute certainty that, for a very short period of time, discharge levels—turbidity levels—may not have exceeded the triggering levels, but the triggering levels have been set in such a way that that prospect should be minimised or is minimised. I believe the way it is set up is that the warning trigger level requires that a level of turbidity exists over a period of time.

Senator BOLKUS—Could you take this on notice, but I would like to get some idea as to what the trigger levels are and how they are different from the compliance levels.

Mr Trinder—I will send the committee the reactive monitoring plan for discharge levels that goes into considerable detail about both the levels and the mechanisms that apply for monitoring discharge. I have been involved in a number of these developments over the years and I would say that this reactive monitoring plan is one of the most rigorous that I have ever seen.

Senator BOLKUS—So if I was to put to you, for instance, that I had been advised that between 14 and 22 October there were some 15 non-compliances, you would say that there might have been 15 instances where the trigger level had been met.

Mr Trinder—When you say ‘non-compliance’, I think the environmental impact management plan refers to ‘non-conformance’. Non-conformance requires that a management action be taken. The management action in cases of non-conformance when a warning triggering level is met is to institute additional monitoring or to require pumps be shut down. So noncompliance and nonconformance are two different things in the environmental impact management plan. Noncompliance would be when, for example, the environmental site supervisor had found that warning level triggers had been exceeded and the proponent refused to shut down the pumps or refused to institute monitoring as required by the environmental impact management plan.

Senator BOLKUS—So you are saying there has not been a noncompliance?

Mr Trinder—No, not that I am aware of.

Senator BOLKUS—But nonconformance there would have been?

Mr Trinder—There are nonconformances on a regular basis whenever things require the institution of some management response. It may be that a pipeline bursts or breaks. That is recorded as a nonconformance and some management action is required by the proponents to institute some remedial action—usually repair whatever the damage has been or clean up a hydraulic oil spill, or actions of that nature.

Senator BOLKUS—So though there may have been, in your words, a number of nonconformances, you do not deem that they represent a major continuing problem; is that the case?

Mr Trinder—That is completely correct.

Senator BOLKUS—When you testified here last time you indicated there had been no noncompliances on site. The weekly reports prepared by the environmental site supervisor indicated, in your understanding, noncompliances or nonconformances?

Mr Trinder—Nonconformances. So the reports from the environmental site supervisor list any nonconformances which are really incidents on site that require some management action, and if there was any noncompliance they would also list those. So I am aware that those weekly reports that I get from the environmental site supervisor have listed no instances where there had been failure to comply with the requirements of the environmental impact management plan.

Senator BOLKUS—Okay. We will just leave it there for now, Mr Trinder, but I am sure we will see you back here again in a short time. Can I just move on to the issue raised by Dr David Haynes, scientist with GBRMPA, about land based pollution and its impact on the reef? It was referred to in the *Sydney Morning Herald* the other day. I noticed that the *Herald* was not allowed to talk to Dr Haynes. Is that marine park authority policy?

Ms Chadwick—It is not really a matter of Dr Haynes not being allowed to talk to journalists. The decision was taken at the time that this report is in fact a significant report. It is one where Dr Haynes is not the primary author; he is one of a number of authors. He is also a senior officer at GBRMPA. It is at a time when GBRMPA is trying to collate and compile the results of 15 years of work, both monitoring water quality and looking at a variety of land based water issues as they affect the marine park. For right or wrong, I took the view that I was very close—or officers of GBRMPA were very close—to completing a draft strategy to

cover the entire coast of Queensland and the catchments. I did not want the matter distracted by focus on one particular issue before the marine park was in a position to do what I have been trying to do for the last 18 months, and that is to get together a coordinated and coherent strategy for the marine park rather than scatter-gun attacks based on individual reports coming out. So, if you were to ask me honestly whether I wanted David Haynes talking to the *Sydney Morning Herald*, the straight answer is no. I just thought it was premature, given how close we are in the development of a draft strategy.

Senator BOLKUS—How close are you?

Ms Chadwick—It is a matter of judgment whether my call was right or wrong, but that is the background to it.

Senator BOLKUS—How close are you to developing that strategy?

Ms Chadwick—I am very hopeful to be in a position to give the draft strategy to Minister Hill imminently for his consideration.

Senator BOLKUS—He probably has nothing to do for the next few hours. You may as well give it to him now.

Ms Chadwick—I thought I would wait until after this.

Senator BOLKUS—The issues that were identified there are obviously issues of concern.

Ms Chadwick—It is no surprise that both GBRMPA and, I would think, the broad community have water quality issues as one of the major matters of concern for all of us who are concerned about the marine park, whether it is this year or whenever. Recently I was reading the work of Judith Wright back in the seventies, where she spoke very passionately about water quality issues with urbanisation, industrial development and shipping. So of course we are concerned about water quality. We have been monitoring and researching for many, many years—15 to 20 years. It is my considered view that the time has come to pool all of that together and, while our knowledge may not be perfect, if we wait for perfect knowledge, I think we will be doing a disservice to the marine park. I want us to have a coherent strategy to engage with Queensland and with stakeholders and to move forward.

Senator BOLKUS—Do you have a team of people working on these issues?

Ms Chadwick—There are indeed, and that does include David Haynes, who was the subject of your question. He is a valued member of GBRMPA and a scientist who has basically devoted his life to these issues.

Senator BOLKUS—Would it be an identifiable group of people? How many people would be working on it?

Ms Chadwick—At the moment, I would say six or eight people have been closely and almost full time involved in the work pool. As you can imagine, it is no small feat to pool together the results of 15 or 20 years of research.

I am reminded by my colleague John Tanzer, who does have a big interest in water quality, as we all do, that GBRMPA is divided into four critical issues groups, and the importance we place upon water quality and catchment issues is seen by the fact that water quality is in fact one of our critical issues groups.

Senator BOLKUS—The article in the SMH obviously refers to data that has been collected by the authority. Is there a databank that people could access, or can some of the data be made available to this committee?

Ms Chadwick—Much of the data is available. I will check with Mr Manson, but to the best of my knowledge we have not done the job as well as we should have in terms of making all of this information available on our web site. But as our web site gets better and as our reports are published, we are putting them on the web site. But if there is any specific matter that I could assist you with, I would be delighted to forward the material to you and the committee.

Senator BOLKUS—Sure. We will come back to you. I suppose this issue has been going on for some time and there have been a number of reports published—and I suppose a lot more not published—but is it a matter of priorities, resources or jurisdictional and boundary problems, or a combination of all?

Ms Chadwick—The reason I am smiling is that it is probably a combination of all of those factors. I think I alluded to one area first. It is, I think, one of the strengths but also a potential weakness of a scientist that they would prefer to wait for perfect knowledge. In something as dynamic and changing as water quality issues, it is hardly likely that we will ever have perfect knowledge. But given the implications for action that may be needed to flow from these considerations, one equally must not be frivolous or take the matters lightly. So it is a balancing there.

The second matter is that Queensland has made some progress in recent years, and there are a number of measures in place, whether it is coastal plans, catchment management plans or various regimes in terms of cane growers and graziers and horticulturalists. There are many codes of practice. Most of them, however, are voluntary. It is a matter of meshing, I guess, the aspirational statements of much of this legislation or regulation or management plans with some real action on the ground and some real results, some tangible results, in terms of improvement of water quality. So at the end of the day I strongly suspect that it will mean that the marine park authority and the Commonwealth are engaged in a cooperative but perhaps vigorous debate with Queensland.

Senator BOLKUS—So, for instance, we have some I would imagine urgent issues identified: the identification of an urgent need to determine which toxin is responsible, as the article says, at least partially, for the massive dugong decline. Has the authority taken any steps in response to that sort of finding?

Ms Chadwick—I think that you would concede that the Commonwealth government and GBRMPA have been very active in the area of dugong protection. Through the actions of Minister Hill, some years ago now, we were able to establish the world's first dugong protection area. Given that these dugong protection areas are in Queensland waters, we have been working hard with them to improve measures of protection as they relate to netting and activities of fishermen and the like. But again there we have an example where the Queensland government signed off some years ago on regulations to remove netting from those dugong protection areas. I am still waiting for those regulations to be introduced into the Queensland parliament. So things are not always as straightforward as they seem or happen as quickly as public aspirational statements would lead us to believe.

Senator BOLKUS—But you have got these issues identified by your own staff: at every location where crabs were sampled their flesh contained the pesticide dieldrin at levels that exceeded water quality guidelines. You have this issue in respect of the massive dugong decline. Do you need law? Do you need more enforcement capacity?

Ms Chadwick—Can I say—and I am not in any way negating that research or the importance or potential importance of that research—that the reality is that for the last few

years we have in fact been through a hotline. We have an early warning system when there are dugongs stranded or dead dugong found. We have a response team that takes those dugong and they are in fact subject to much scrutiny and indeed a full necropsy and analysis of their tissue. While, of course, all of us are worried about the death of dugong and the decline of dugong, the statistics that we have on those dugong that we have recovered show that many of them have died from natural causes, many of them have died from human intervention, many of them have died from, I guess, natural events in that they have been attacked by other marine animals and there are others where the cause of death is unknown. We would suspect that in that group perhaps some of them have been debilitated for other reasons but we cannot prove it. So it would be incorrect—and David Haynes is not suggesting—that dugong deaths are a result of pesticides. There are a variety of reasons why dugong die.

Senator BOLKUS—You seem to be suggesting that it is urgent to determine if toxins were responsible for the decline.

Ms Chadwick—I can but repeat my earlier answer. Every dugong carcass that we are notified of is in fact the subject of an intensive necropsy, which is attended by trained vets who have been trained to deal with dugong necropsies. We also have scientists from James Cook University, we have scientists from GBRMPA and we have people from our species protection group who are there. In many cases tissue samples are sent overseas for very specialised examination that is not available in Australia. So the sheer fact that David Haynes and his colleagues have the result of some of that work is in fact an indication that we are studying the residue in the tissue.

Senator BOLKUS—They find that dieldrin is a ubiquitous contaminant of crabs between Brisbane and Cairns. Do any of those crabs get on the national market, the food supply chain?

Ms Chadwick—I would but presume so.

Senator BOLKUS—Does that present a bit of a health risk?

Ms Chadwick—I am not qualified to answer that, but I am happy to try to find out.

Senator BOLKUS—I actually like crabs. I would like you to find out very quickly.

Ms Chadwick—I am very fond of crab myself and I hope I do not glow in the dark.

Senator BOLKUS—I have got the minister concerned now.

Senator Hill—You have woken me up now.

Ms Chadwick—Can I introduce Mr Tanzer, who knows lots about crabs.

Mr Tanzer—It is like that joke. No, I share your concern. The role that crabs play in the food chain obviously means that they are going to be in a situation where they are accumulating toxins if they are around. Crustaceans tend to do that. Certainly there is a thriving crab fishery that exists between Brisbane and Cairns. Those residues would be finding their way through that onto the plates. But as to the health implications of that, I really do not know. I would be out of my depth to comment.

Senator Hill—But the health issue is the responsibility of the state government and is monitored. There has been no suggestion that I have seen that this level of toxin is a health risk at all. It is a pointer for management in relation to the broader GBRMPA responsibilities.

Senator BOLKUS—You might say that, but I would hazard a guess that you will not be eating crab for a while in your favourite Chinese restaurants when the reports are essentially saying that—

Senator Hill—It is not wise to be alarmist without any basis, and there is no basis for alarm in this instance. Out of these studies, which have been going on for a long time, we know that residues from pesticides, nutrients and the like are having some consequence within our area of responsibility. We do not know the full consequences. We are continuing to work on that issue but at the same time we are looking at ways, as Ms Chadwick said, to reduce the level of land source pollutants.

Senator BOLKUS—I have to agree with you. I do not think there is a need to be alarmist. I am just raising a concern based on the evidence of the scientists.

Ms Chadwick—I can but repeat, Senator, as you would be well aware, given your interest in matters such as trawl or long-line fishing, that we are in regular discussion with Queensland fishery management agencies. I have not been advised of any concern that they have. Given the fishery is in fact a Queensland responsibility, I am sure they would alert me if there was a problem.

Senator BOLKUS—Just going back to a question I asked earlier, is it a matter of the need for extra enforcement provisions or extra enforcement capacity to try to stop some of these effects that your scientists have identified?

Ms Chadwick—Again I go back to my earlier comments that at the moment we believe that the Queensland response to its clear responsibilities is inadequate, and that is conceding that they have made some inroads and some real attempts in recent years. But when we in fact have a framework and I guess the right words and the right aspirations but very little monitoring, auditing, necessity to comply or sanctions and where one relies upon goodwill of participants such as farmers, it is very hard to see how you are going to see a speedy response.

Senator BOLKUS—Has the Commonwealth's monitoring capacity been altered in, say, the last five years in terms of resources, in terms of personnel?

Ms Chadwick—In broad terms, not that I am aware of. As you are aware, we had a restructure a couple of years ago now—I suppose about three years ago. In fact, such was the importance that we placed on water quality and related issues that that was a critical issues group. Broadly speaking, its budget and staffing have stayed about the same since that time. Our level of resources allocated to research is stable.

Senator BOLKUS—Could I just ask you to provide on notice details of the budget since the financial year 1995-96 for that compliance enforcement area?

Ms Chadwick—For compliance and?

Senator BOLKUS—Monitoring.

Ms Chadwick—For water quality?

Senator BOLKUS—Yes.

Ms Chadwick—I am happy to do so.

Senator BOLKUS—And staff levels. One last area is the oil shale mine proposal at Gladstone. Has the authority been involved in any discussions on that issue since we last met?

Ms Chadwick—I most certainly have not. Have you, Mr Trinder?

Mr Trinder—No, I do not believe that we have.

Senator BOLKUS—Thank you very much. Your ordeal is over.

Ms Chadwick—Thank you very much. It was most interesting.

CHAIR—I thank the officers from the Great Barrier Reef Marine Park Authority for appearing. I call forward officers of the National Oceans Office.

[10.06 a.m.]

National Oceans Office

Senator BOLKUS—Can I start off by asking you about your budget forward estimates? Last financial year it was \$53.3 million. For this financial year it is \$46.5 million. For the year 2003-04 you are budgeted to have \$3.3 million. What will that provide?

Ms Sakell—I am sorry. I am not with you with those figures, because the National Oceans Office is provided with three-year funding, until 2002.

Senator BOLKUS—But the forward estimates indicate that in 2001-02 it will be \$45 million, in 2002-03 it will be \$3.5 million and in 2003-04 it will be \$3.3 million. I am trying to work out what you have estimated that \$3.5 million and \$3.3 million will provide. Someone has obviously made an assessment that there will be an ongoing funding level of \$3.5 million. What is that going to pay for?

Ms Sakell—Senator, could you tell me where you have got those figures from?

Senator BOLKUS—The forward estimates.

Senator Hill—We are just looking it up. The principal task is the development of the South-East Regional Marine Plan, and the office is looking to the development of several other such plans elsewhere in Australia. So it is to continue with that process of long-term resource planning, principally in Commonwealth waters, that will enable our marine resources to be exploited in an ecologically sustainable way.

Senator BOLKUS—I can understand that, Minister, on the basis of funding of about \$45 million or \$50 million, but \$3.5 million would pay for stamps and photocopying, wouldn't it?

Senator Hill—It is a lean and efficient operation.

Senator BOLKUS—So, if you are talking about long-term plans and long-term future, we are only really talking about the next 18 months, on the basis of your funding.

Senator Hill—Well, the office will be adequately funded to fulfil its important responsibility.

Senator BOLKUS—In the meantime, what does that \$3.5 million provide? What have you allocated it for?

Senator Hill—This is some years out.

Senator BOLKUS—This is the middle of next year—2002-03. It is not some years out.

Senator Hill—What I have said to you is that that is the principal task that the office has. It also has taken on some additional tasks in relation to coastal planning issues and the like. I expect over a period of time its role will actually expand.

Senator BOLKUS—In the meantime, Minister, that \$3.5 million is to fund what?

Senator Hill—I have answered that question.

Senator BOLKUS—You haven't, really.

Senator Hill—Well, I have done it to the best of my ability.

Senator BOLKUS—Maybe the bureaucrats know what the ongoing function will be after the middle of year 2002.

Senator Hill—Well, they are not going to say anything different from what I have just said.

Senator BOLKUS—That sounds like an instruction.

Mr Beale—The PBS only has the current year. I cannot really add to what the minister has said. That is, this will provide an ongoing funding source for the office to enable its activities to carry forward, and no doubt we will re-examine funding as it completes its marine plans which will, initially in the south-east, consume the bulk of resources in the short term. Then hopefully we will be moving to further regional plans and reconsidering—

Senator BOLKUS—I know you are both trying to be helpful, but nobody has actually answered the question. The decision has been taken in the department to allocate \$3.5 million in 2002-03. I would like to know for what purpose. What have you actually identified will be funded by that \$3.5 million? Maybe you would like to take that on notice.

Mr Beale—Indeed. I think the simplest way is to come back to you on notice, but my assumption is that this provides the core support funding for the office's own operations.

Senator BOLKUS—So that provides for staff salaries, for instance? How many officers do you have?

Ms Sakell—Currently the National Oceans Office has 18 staff.

Senator BOLKUS—And \$3.5 million would pay for salaries and what else?

Ms Sakell—Well, it would cover that, yes. Could I just ask you a question on that? I am not exactly sure where you have got that figure from.

Senator BOLKUS—It is in your forward estimates. It is in the budget papers.

Senator Hill—We will go back and check the figures and provide a considered answer.

Senator BOLKUS—Thank you, Minister. Minister, you were quoted recently as saying that states' agreements would be vital for the oceans policy framework. Where are you up to with the states?

Senator Hill—Well, state cooperation is important as we wrestle with one of the major issues, which is interjurisdictional. With these plans we are trying to do something that is new; that is, to plan taking into account both intersectoral issues and interjurisdictional issues, because obviously the ecosystem does not end and start at state/Commonwealth borders. The one that is relatively urgent, but not critically urgent, is the south-east plan. It is not critically urgent because we still have an enormous amount of work to do in relation to the Commonwealth waters, but to get the best outcome we will need the cooperation of the New South Wales, Victorian, Tasmanian and South Australian governments. We are still in the process of discussing that with those governments.

Senator BOLKUS—So we are talking about bilateral agreements with each government? Are we talking about a broad framework?

Senator Hill—We said some time ago that our objective would be as much as possible to implement these plans through existing regulatory regimes. We are progressing by building a better knowledge basis of the ecosystems involved, and then applying to that our knowledge and experience of the sectoral exploitation and sectoral usages of the marine resources. We then look at what is the most appropriate way to implement such plans. As I said, our preference where possible is to do it through existing regulations. That is the way we are approaching this task. The only other country in the world that I know of that is having a go at

a similar project is Canada, and they have done it the other way around, by starting with what they believe should be the regulatory process, which is basically a legislative basis for what they do, and then moving to the issues of ecological assessments and plans. So the bottom line of all of that is that we have not been hindered to date by any lack of cooperation with the states, but we would hope the states will realise that this is a project that is in the national interest and that their cooperation is, therefore, in the national interest.

Senator BOLKUS—Do you have any leverage over the states?

Senator Hill—I beg your pardon?

Senator BOLKUS—Do you have any leverage over the states here, or is it driven by policy rather than—

Senator Hill—No, there is no leverage; it is a cooperative process. As is not unusual in our discussions with them, they have talked about what resources we might make available to them to facilitate their cooperation.

Senator BOLKUS—In a sense, you are talking about a policy designed to implement Australia's obligations under the UN convention on the law of the sea, I would imagine. Have you discarded any option; for instance, national legislation?

Senator Hill—No, we have not discarded it. I said that when the plan starts to evolve, when we really know the issues and what we think are the best solutions to the issues, the way we are approaching it is then to look at the best way—what, if any, legislative or regulatory changes are necessary in order to achieve best outcomes. Regulation, of course, is only one option. We do not understate the importance of education and cooperation beyond the regulation. In fact, we think that that is not a bad way to go.

Senator BOLKUS—How many regional marine plans will you have before the money runs out?

Senator Hill—I am hoping that this will be an ongoing process. We have started with a major challenge, which is the south-east plan. I have had discussions with both Queensland and Western Australia about commencing a project in each of those two states. How it progresses and at what pace will depend on the assessment of the work by future governments and the extent to which they are prepared to financially back it.

Senator BOLKUS—When will you have the first regional marine plan completed? Do you anticipate some time this year, or early next year?

Ms Sakell—The minister released a scoping paper in January this year, which outlines how we intend to go about the South-East Regional Marine Plan. It has information in it about how the plan progressed. It is our intention to finish the South-East Regional Marine Plan at the end of 2002. So this year is the assessment phase of the project. We are currently developing the assessments to support the plan, moving to an outcome in two years time.

Senator BOLKUS—And you have identified an additional eight regions that require plans; is that the case?

Ms Sakell—When the policy was launched, it was launched with some information that showed that Australia could be divided into eight or nine large marine domains and the south-east was the first plan that it was decided to move forward with and a decision needs to be made, as the minister has just outlined, where the next plans will be.

Senator Hill—We chose that one on the basis that it is the most intensely exploited, but it also is the most complex in many ways.

Senator BOLKUS—How much has it cost you so far?

Ms Sakell—The south-east plan?

Senator BOLKUS—Yes.

Ms Sakell—For the project work that has been done to support the plan, it is just over two and a half million dollars so far.

Senator BOLKUS—Have you made any assessment as to what the remaining eight plans might cost? Have you actually made an assessment as to what this plan will cost to bring to conclusion?

Ms Sakell—That will unfold in the next couple of months. We know what we have spent already, but the assessment phase, which is what we are currently working on now, will have a work program attached to it which will be costed and decisions will be made about moving forward with that by the board, hopefully in the next couple of months.

Senator BOLKUS—How much have you budgeted for it over the next couple of months?

Ms Sakell—We have a \$30 million budget over three years, as you are well aware. We have to work within that budget. The plan will be costed, as I said, when the assessment phase is more clearly identified in the next couple of months and we will have a better idea about what the total plan is going to cost.

Senator BOLKUS—How much of that \$30 million over three years have you spent so far?

Ms Sakell—Just over \$5 million.

Senator Hill—It is on setting up the office, engaging staff and commencing the south-east regional plan.

Senator BOLKUS—So you have spent just over \$5 million?

Ms Sakell—That is right.

Senator BOLKUS—Can you on notice provide for us a breakdown of that expenditure?

Senator Hill—Yes.

Senator BOLKUS—The \$20 million is to be spent this financial year?

Ms Sakell—No.

Senator BOLKUS—So you will be carrying some of it over into 2001? ‘Rephasing’, I suppose, is the technical term?

Ms Sakell—Yes, I presume so. That amount of money is available. The issue is how we spend it as the years unfold.

Senator BOLKUS—You have got a budget for 2000-01 of \$46.5 million. Will you spend all of that?

Ms Sakell—I do not think so.

Senator BOLKUS—If you look at this year’s—

Senator Hill—We are puzzled by some of the figures that you keep referring to.

Mr Sullivan—This comes back to your original question. You said before that our forward estimate for the National Oceans Office was \$3.5 million. I think you are aggregating a number of marine expenditures. The forward estimate for the National Oceans Office in 2000

to 2003 is actually zero. The \$30 million is for three years. That is the extent of the National Oceans Office funding.

Senator BOLKUS—So for 2000 to 2003 that should be zero? There is a long-term future for the plan!

Senator Hill—Pardon?

Senator BOLKUS—You are not spending any money on it in 18 months time.

Senator Hill—That is not all that unusual. A significant sum of money was allocated for development and implementation of Australia's oceans policy. A part of that was to set up the National Oceans Office and to commence work on the regional plans. As I said a few minutes ago, the future funding and the future development of those plans will obviously be a decision for subsequent governments. I said that I would hope that subsequent governments would see that this is important in the long term and that we have an opportunity in relation to our marine resources to do it a lot better than we have done in relation to our terrestrial resources and to exploit natural assets in a sustainable way, which we have not always done in the past.

Senator BOLKUS—Just going back a few minutes: Ms Sakell, you were telling us that you did not anticipate spending all of the \$46.5 million that has been allocated for you this financial year.

Ms Sakell—Thirty million has been allocated over three years. We are a bit confused about where you have got the \$46.5 million.

Senator BOLKUS—I think we are treading in a bit of quicksand here. What we might do is give you some questions on notice.

Senator Hill—That is all right. I will give you a breakdown, because the figures you are quoting are different to the figures on page 101 of the document. We do not have the document we published with the last budget. I will give the committee a breakdown of the funding and expenditure to date under the oceans policy, which will indicate that part which has been dedicated to the National Oceans Office and its tasks, what funding remains and what our intention is in relation to that funding.

Senator BOLKUS—Sure. Without wanting to reopen it totally, I understand you have spent something like \$20 million so far; is that what you are saying?

Ms Sakell—No, just over \$5 million so far in the National Oceans Office of the \$30 million.

Senator Hill—The oceans policy was a whole suite of ocean matters, not all of which are implemented by the National Oceans Office. Some have been implemented by Environment Australia; some by other departments.

Senator BOLKUS—Okay. In that case, you spent \$5 million. Our understanding is that you have spent \$20 million overall as a department. Can you tell us where the other money has been spent?

Senator Hill—One contract I can remember was for the seabed mapping in the south-east zone. But there is a suite of environment protection matters that are being funded through Oceans through that source which I refer to, which is the National Oceans—

Senator BOLKUS—Could you itemise that for us and come back to us? I would appreciate that.

Senator Hill—Yes.

Senator BOLKUS—You anticipate that the money that you have will take you past financial year 2001-02. Could you come back to us also with some indication of how far you think the existing resources that you have will be stretched? We have got this figure of \$3.5 million. Mr Sullivan says it is possibly zero. I would actually like to get some better clarification of what resources you have dedicated at this stage for the out years.

Senator Hill—What I said I would provide should make that clear.

Senator BOLKUS—That probably ends oceans policy.

CHAIR—Thank you very much, Senator Bolkus. I thank the officers from the National Oceans Office for appearing. We call Environment Australia, beginning with the Policy Coordination Division.

[10.28 a.m.]

Environment Australia

Senator BOLKUS—We have got some budget questions to go on notice and we will provide them to the secretariat some time tomorrow. I would like to kick off with a question about promotional material, and this is best taken on notice. Mr Beale, could you come back to us with a detailed list of expenditure on promotional items such as advertising, media—radio/television breakdowns—and other promotional material such as booklets, leaflets, promotional goods, CDs and CD-ROMs? Could we have a breakdown and a total costing of all these items paid for by the department or by any authorities related to the department? Can you do that?

Senator Hill—It depends on what level of breakdown you want. The department has a major public information/public education role.

Senator BOLKUS—I do not want every rubber and every pencil, for instance. We are talking about—

Mr Beale—Are you expecting that we will make a judgment? For example, we will be publishing the national water quality guidelines on CD-ROM. I would not regard that as promotional material. But we might provide some material about—

Senator BOLKUS—In that case, I will change the definition to include promotional and information material. I do want that.

Mr Beale—You do want that?

Senator BOLKUS—Yes.

Mr Beale—The total publications budget, including electronic?

Senator BOLKUS—Publications, electronic media and other promotional material and information material.

Mr Beale—To the extent that we can disentangle that—

Senator Hill—And to the extent that it is reasonable. I can imagine that you could spend a month on this with a staff of 10 trying to go back through it.

Senator BOLKUS—Not necessarily, Minister. Every authority within the department and every aspect of the department would have a discrete budget for promotion information—the main items, whether it is radio, TV ads or—

Senator Hill—That is whether we can provide that easily.

Senator BOLKUS—For instance, you spent some money on producing water bottles emblazoned with the NHT logo.

Senator Hill—Producing what?

Mr Beale—The plastic water bottles that are provided to NHT community groups who are out in the field.

Senator BOLKUS—I would like to know what they cost. Does anyone have any idea now?

Mr Beale—I could not give you that answer. I am aware of the product. I think we might provide people with a hat as well if they are out working in the field.

Senator BOLKUS—It is not only for working in the field; you probably provide it to people generally as a promotional item. I do not want you fudging behind this as a sort of ongoing assistance to an organisation to enable them to do their work properly when essentially we are talking about promotional materials, Mr Beale.

Senator Hill—We have no wish to fudge. We are just trying to clarify what you want and determining whether it is reasonable.

Senator BOLKUS—It is too late for you to change there. I would like to know how much they cost, how many were produced, what the unit price was, who they were distributed to and whether they were provided free of charge. You also provided calendars for the Waterwatch program and items like that. How much was spent on the calendars? How many were made? You could probably think of a whole host of other such promotional/information items, Mr Beale.

Mr Beale—There were a number of posters and things of that sort.

Senator BOLKUS—And, as I say, can we get the details of CD-ROMs, CDs and advertising. The department has been involved in some market testing as part of the government-wide output pricing regime. I think at the last hearing you were engaged in the second stage of the review. That was going to be completed by November some time. Is it completed now?

Mr Beale—Perhaps I will ask Mr Butterworth to answer. Certainly we are approaching the point where we can go out with an RFT.

Mr Butterworth—Are you referring to the second stage of the output pricing review or the various stages of market testing resulting from output pricing review 1?

Senator BOLKUS—Mr Butterworth, thanks for your help, but let's go to the second one first and then we will go to the second stage review.

Mr Butterworth—I can give you a summary progress report and perhaps you can follow up if you want any further detail. We issued the request for tender for the audit function on 2 February. The legal services RFT will go out this Friday.

Senator BOLKUS—The which services?

Mr Butterworth—The legal services. The remaining RFTs—and they include public relations, finance, human resources, and property and office services—we expect to release during March. They may not all go out together but sometime in March we should have the RFTs out on all of those items, which will cover all the things we are market testing in this round.

Senator BOLKUS—The decision has been taken, obviously, to contract out these functions.

Mr Butterworth—No decision has been taken on that yet.

Senator BOLKUS—So you are putting out the requests for tender.

Mr Butterworth—We will make a judgment about whether an outsourced provider can deliver our requirements at an acceptable price. We will not be in a position to make that judgment until the responses to the requests for tender come in.

Senator BOLKUS—With the audit function, how many tenderers are being approached? Is it a restricted process?

Mr Butterworth—I do not have that detail in front of me.

Dr Gunasekera—We have received a number of initial inquiries, but we have not received the actual responses yet because there are several more weeks to go before we close tenders for the internal audit.

Senator BOLKUS—So it has basically been an open tender, has it?

Dr Gunasekera—That is correct.

Senator BOLKUS—Is that the same with all the RFTs?

Mr Butterworth—No. We are applying a different process to human resources and finance. We put out an expression of interest in October. A number of prospective providers responded to that and provided certain information to us which will allow us to assess whether we believe they can provide the service. We are in the process of sifting through that information and making a decision about who to approach in the second round. That second round will effectively be a select tender.

Senator BOLKUS—Can you come back to us with statistics on how many expressions of interests were lodged with you in respect of each one of the tenders?

Mr Butterworth—We can do that.

Senator BOLKUS—In respect of finance and human resources, can you tell me how many expressions of interest there were, how many you have culled them down to and who they were once you made that decision?

Mr Butterworth—Yes, we can do that.

Senator BOLKUS—We can now go on to the second stage of your review.

Mr Butterworth—The second stage, as you will recall because I think we discussed this at the last meeting, involves the policy and research activities of the department. Over the last six months or so we have been conducting a review of the output prices for those activities. A draft report was produced in December. We have been refining it. We are still negotiating the conclusion of that exercise with the department of finance.

Senator BOLKUS—What has that cost you?

Mr Butterworth—I do not have those figures in front of me for output pricing review 2, but I will take that on notice.

Senator BOLKUS—I want the cost of the overall review and also the cost of the part of it that goes to policy and research.

Mr Butterworth—Sure.

Senator BOLKUS—Has a decision been taken in principle to actually put that out to tender?

Mr Butterworth—No.

Senator BOLKUS—But I am sure it has been discussed in the lead-up to the forthcoming budget.

Mr Beale—The output pricing review sought to look at the reasonableness of the cost of the department's provision of these services to government. In some cases that might move you to a conclusion that they could be better provided or should be market tested; in other cases we might reach the conclusion that the cost is a very efficient one already and that further market testing is unlikely to be justified on the costs involved. Of course, in all government departments now and for many years quite a substantial body of our research and policy work is done under contract already to universities or to the CSIRO or to the various specialised consultancies around the country. The short answer is that, no, there is no presumption that that would necessarily go to a contracting out situation.

Senator BOLKUS—Can we get a copy of that review?

Mr Beale—Can we take that on notice? I am not sure whether any of these reviews have been published or not and whether there is a public interest or a cabinet confidentiality issue associated with that. Do you know, Mr Butterworth?

Mr Butterworth—No. We would have to investigate that.

Senator BOLKUS—Of course you would have to investigate it. Mr Beale, from what Mr Butterworth has said, you are looking at the comparative level of costs. How do you factor in other issues such as independence of advice and public interest? What cost do you put on that—what amount?

Mr Beale—Our view is that you cannot look at costs independently of quality and outcomes. We have attempted to reflect that in our output price reviews. This is always difficult, but you might recall that Graham Glenn did the pioneering work in this area for the previous government when he examined parts of the Prime Minister's department. I think it would be fair to say that our conceptual framework for this review is probably quite close to that which Graham used on that occasion.

Senator BOLKUS—Good luck to him, but I am asking questions about independence; I am not asking questions of quality or outcomes. I am sure that every private sector proponent tenderer would maintain that they meet the benchmark of quality and provide outcomes, but I am talking about something a bit different to that. I am talking about the need for independence and public policy based on independence rather than a particular sector, for instance, directly or indirectly connected to a vested interest providing the policy.

Mr Butterworth—We are making a thorough assessment of all the risks associated with an outsource provider and we will be taking those into account in examining whether there is a business case to outsource. Those risks relate to some of the things you mentioned; they also relate to things of more a commercial nature. We are assessing those risks. We are seeking from prospective tenderers information on their capacity to deliver our needs and we will not be taking a narrow financial decision, we will be taking a broad based decision, including financial benefits, if any, and the capacity of an outsource provider to meet our needs and manage the risks.

Senator BOLKUS—I always used to have this problem with the culture of the finance department when we were in government. The culture should be different from departments

like environment. I am not talking about a possible conflict of interest in respect of a particular bit of advice; I am talking about institutional separation—that is, different cultures between a government department providing advice and an organisation such as Access Economics, for instance, that is part of a corporate private sector culture. The need for institutional independence in respect of the policy advisers to government in areas such as this is something I do not think can be tackled on an item by item basis, Mr Butterworth.

Mr Beale—I do not think I would fully agree with that.

Senator BOLKUS—I am sure you do not, Mr Beale. We have had problems in the past.

Mr Beale—I am sorry?

Senator BOLKUS—I am sure you do not. We have had conflicts in the past on issues like this.

Mr Beale—I think there is clearly a need for an independent, impartial Public Service that will serve the government of the day. But in terms of securing advice for government, sometimes that can best be secured from the department. Sometimes we believe it can be best secured through the provision of expert advice from someone in the university stream, from consultants, from CSIRO, from a whole range of sources. The department, of course, would never resile from its obligation in addition to providing any advice it wished to put to the minister, who of course would then draw on that plus any other sources of advice. But this is not something that in my experience would be an unusual view of the world over the last 10 or 15 years.

Senator BOLKUS—No, and I accept organisations like CSIRO and a limited range of organisations like that would be good people to use, but I am concerned about taking the other jump. We heard examples of that in the past with ABARE having greenhouse work conducted and the organisation being funded by the mining industry. I do not think that provides the sufficient separation that is required for good advice to government. So that is why I say I think the cultural assessment here is very important, and you do not seem to have factored it into your comparative studies, your costings and so on.

Mr Butterworth—In relation to the policy and research OPR stage 2 we have found that, of the projects that we examined, with something like 40 per cent of the output price that work is undertaken by bodies external to Environment Australia. We have found that those relationships work very well for us in giving us access to expertise and experience that we could not otherwise maintain or accumulate.

Senator BOLKUS—Maybe if you could provide the review document for us we could then identify those areas and see what sort of separation there is from the other six sections.

Mr Beale—We have taken that on notice.

Senator BOLKUS—You mentioned policy and research. What else is part of the second stage?

Mr Butterworth—That completes the output pricing review for the department in this round.

Mr Beale—I should add that the Antarctic division, which is part of the department, has also undertaken a price of outputs review, as has the Bureau of Meteorology.

Senator BOLKUS—In respect of the bureau, how are they progressing with their IT service arrangements? A decision was taken to contract out much of that. Is that still progressing or is that on hold at the moment?

Mr Beale—There was some scoping work done towards the end of last year as part of group 9. We are currently re-examining the scope of work that would be market tested. That is not complete. The director is in the process of providing advice to me and then I will advise the parliamentary secretary and the minister.

Senator BOLKUS—Who did the scoping work?

Mr Beale—The initial scoping studies were done pursuant to contracts managed by OASITO, and I cannot tell you off the cuff who the consultants were. We could provide you with that information.

Senator BOLKUS—Can you provide for us the information as to who they were and what it cost? Can you just refresh my memory in terms of what aspect of the IT functions of the bureau were being looked at?

Mr Beale—I think the scoping study covered the totality of the bureau's functions. What the director and I are now examining is whether we would proceed to market test that totality or a more limited subset of the bureau's computer systems.

Senator BOLKUS—And you have not made a decision as to that yet?

Mr Beale—No, we have not. I would hope to shortly, but we have not completed that decision making process.

Senator BOLKUS—Your web site is in the process of being reviewed under the online action agenda. Can you explain to us what the department is actually doing under this agenda?

Mr Beale—I do not wish to be pedantic, but I will just need some additional colleagues here because we have moved to the Strategic Development Division.

Senator BOLKUS—Sure. We all need help.

Mr Anderson—Could I have that question again, please?

Senator BOLKUS—The online action agenda—I am just trying to get a fix on what the department is actually doing under this agenda.

Mr Anderson—There are some government reporting requirements in terms of developing an online action plan, which we have done and which has been published, and that sets out the structure and framework for progressing the government's initiative in this area. There are a number of sort of subsets to that, including the redesign of the web site to make it compliant with the government's policy requirements in that area.

Senator BOLKUS—Can you tell us how much is currently being spent on web site design, maintenance and improvement?

Mr Anderson—There was an initial provision of \$200,000. That provided some in-house capacity and some consulting work to assist in the design.

Senator BOLKUS—Can you make available to us the performance criteria for assessing the use of the web site?

Mr Anderson—We have taken account of the government's broad criteria and then we have obviously looked at how we want to personalise that as well. But, obviously, there are key things there in terms of community access, ease of functionality—a range of things there. It is intended to break it down from just a structural organisational framework to make it so that, if someone wants to come and look at the environment, they do not have to weave their way through institutional structures; they can just hit an issue like oceans policy or

biodiversity and have links right through. So we are trying to redesign it in terms of themes rather than institutional structures. That is the basic concept behind it.

Senator BOLKUS—You have identified those things?

Mr Anderson—They are being identified, yes.

Senator BOLKUS—They are being identified?

Mr Anderson—They are largely consistent with the output structure that you see in the PBS—a couple of those broad themes.

Senator BOLKUS—Thank you. I have no questions on the Strategic Development Division. We can go to the Approvals and Legislation Division. The bilateral agreements under the EPBC legislation—can I get a general update as to where you are with each state?

Senator Hill—It is signed with Tasmania. It got to the stage of cabinet in Western Australia.

Senator BOLKUS—I might just take you state by state.

Senator Hill—He wants us to run through each of the states—where we are up to with our negotiations on bilateral agreements.

Mr Fletcher—In Tasmania, a bilateral agreement was signed on 15 December last year. Negotiations are fairly well advanced with all the other states and territories, apart from South Australia, which has indicated that it is not interested in entering into a bilateral agreement at this time. South Australia has introduced into its parliament some amendments to its statutes to basically allow it to use the outcomes of the Commonwealth assessment processes so it can rely on those in relation to its decision making.

Senator BOLKUS—Let us start with South Australia. What was their problem with signing up to a bilateral agreement?

Mr Fletcher—They basically do not agree with the approach that has been taken under the legislation.

Senator BOLKUS—Right. So you say that they have introduced regulations.

Mr Fletcher—They have introduced amendments to—

Senator Hill—No, no, that is not right. You cannot say that they do not agree with the process taken under the legislation. They signed the COAG agreement. They were a party to the whole principle of setting matters of national environmental significance to be managed by the Commonwealth. What they do not seem to want is to be able to do assessments for the Commonwealth other than in an ad hoc way. If that is their decision, so be it. It is somewhat surprising because most of the states were very anxious that, in relation to assessment work, they be able to do it.

Senator BOLKUS—Who is the relevant minister in South Australia?

Senator Hill—Minister Evans.

Senator BOLKUS—Not part of your faction?

Senator Hill—We do not have factions.

Senator BOLKUS—They are just tribes. He is not part of your tribe, then?

Senator Hill—He was not the minister at the time of that decision being first made; that was Minister Kotz.

Senator BOLKUS—Does that explain it?

Senator Hill—No. I think that he and Minister Kotz would share views on that and some other things.

Senator BOLKUS—Have you tried to talk Minister Evans into your way of thinking on this?

Senator Hill—No. I do not mind. The Commonwealth is happy to do it if they do not want to do it. It is just that most states want to because they believe they have the capacity on the ground, and in most instances the proponents, for reasons that I do not totally understand, would prefer the states to do it as well.

Senator BOLKUS—So in drafting regulations, do they consult with the Commonwealth before they finalise those regulations?

Senator Hill—I think we were made aware of what they were doing. I am sorry I had some trouble in understanding it.

Senator BOLKUS—And you have got no problem with the regulations as—

Senator Hill—It does not affect us. They can do what they like.

Senator BOLKUS—They often do, Minister, but in terms of the regulations they have adopted would you say that they are totally complementary to your national scheme?

Senator Hill—No, they are not complementary to the scheme, are they? That is why I could not quite understand what they were seeking to achieve. Do you understand any better?

Mr Morvell—The effect of their regulations is a de facto accreditation of the Commonwealth assessment. So all they have done is amended by regulation a suite of their own laws to enable the Commonwealth assessment to be fully taken into account when they are making their own decisions.

Senator BOLKUS—Moving on to other states—Western Australia?

Mr Fletcher—With Western Australia pretty well all the details have been sorted out. There were some minor amendments that needed to be made to WA legislation. Because of the election, obviously that has not proceeded.

Senator BOLKUS—So there was no outstanding issue under the previous Court government?

Mr Fletcher—Fairly well all the matters were settled.

Senator Hill—But they did not get final cabinet approval.

Mr Fletcher—No, they have not got final cabinet approval.

Senator Hill—I think that it got to—

Senator BOLKUS—They have not got final what?

Senator Hill—The final documentation.

Senator BOLKUS—Right. So that is Tasmania, South Australia, WA. What about Queensland?

Mr Fletcher—In Queensland, at least at the officials level, discussions are fairly close. Again, Queensland needs some minor adjustments to their legislation. Their government has not signed off on a bilateral agreement.

Senator BOLKUS—When you say negotiations are close, what is outstanding? What issues are we still to resolved there?

Mr Fletcher—There are a number of different pieces of legislation involved and Queensland, to comply with the benchmarks, needs to amend some of those pieces of legislation.

Senator BOLKUS—Have they agreed to do that?

Senator Hill—In some instances, we will only accredit if the state processes reach certain standards. In some instances, that is requiring changes to state processes, law and administration.

Senator BOLKUS—I am sure that it does. I am trying to identify what they are.

Senator Hill—In some instances, states are choosing to make those changes before entering into the agreement and in some instances the agreement is being drawn subject to these changes being made.

Senator BOLKUS—So, for instance, with Queensland, what are the outstanding issues? Is it a piece of legislation that has to be changed and, if so, have they agreed to change it? If not, how do we resolve that? I just want to identify what the actual issue is.

Mr Fletcher—In relation to some of their legislation, they are still working up the drafting instructions themselves. So we are yet to see the final details of the changes.

Senator BOLKUS—But is there any principle in dispute? Is there any policy item in dispute? Is there any procedural item? The process is continuing, but have you actually come to an agreement on what needs to be done?

Mr Fletcher—Yes, we know the way forward. There is no real disagreement on principle.

Senator BOLKUS—So what is there a disagreement over—anything?

Mr Fletcher—It is just a matter of Queensland taking the action that it feels that it needs to take to meet the benchmarks. Obviously there is going to be consideration by government on the matter.

Senator BOLKUS—But you are telling me that at the officials level you have got an agreement as to what should be done?

Mr Fletcher—It has progressed well at the officials level.

Senator BOLKUS—But that does not answer the question. Progressing well is different from achieving agreement. If you have not got agreement, what have you not got agreement on?

Mr Fletcher—We have got to go through the normal government processes, obviously.

Senator Hill—I am trying to recall my last correspondence with Minister Welford. I am not sure that we had finally settled the funding issue, but my recollection is that we were very close to agreement before the election was called.

Senator BOLKUS—So the funding is the only outstanding issue with Queensland?

Senator Hill—I cannot—

Senator BOLKUS—Can you come back to us with details as to what the outstanding issue is in Queensland? When you say ‘funding’, have you had to cough up anything to Tasmania or Western Australia?

Senator Hill—No. We do not believe that it will actually lead to further expenditure by the states than what they would have to expend in any event, because most of these assessments require a state assessment of matters that are not of national environmental significance; they are other environment issues. The states, however, feel that there may be some additional cost. So basically, our agreement with Tasmania was that we would review that after a period of experience and see who was right. We accept in principle that, if they are doing a function for us at a cost, a function that serves our purposes, then we should pay the additional cost. We do not believe that there is an additional cost, so we decided with Tasmania—and that is the way we were approaching it with Western Australia—that we would see how it worked in practice and then revisit the issue.

Senator BOLKUS—So with Tasmania and WA you will revisit the issue. South Australia obviously will get no money from you or—

Senator Hill—I beg your pardon?

Senator BOLKUS—South Australia will not get any allocation of resources?

Senator Hill—No. They say they do not want a bilateral agreement.

Senator BOLKUS—What sort of money are we talking about with Queensland?

Senator Hill—We are not talking about any particular money.

Senator BOLKUS—You said there was an outstanding issue as to costs. What are they asking for?

Senator Hill—On Queensland, I can add a few other points. Some states have a number of pieces of legislation under which they do assessments. Early negotiations with Queensland were in relation to their state development act, for which they sought accreditation, and I think on that agreement in principle was reached on all issues.

Mr Fletcher—There are some amendments again required.

Senator Hill—Yes, but agreement as to what needed to be done was reached. Queensland subsequently came back and said they wished to seek accreditation for two other pieces of legislation, which was their Environment Protection Act and their Integrated Planning Act, and I am advised they are developing changes to this legislation to meet our benchmarks. We will then consider the changes that they are proposing against our benchmarks to see whether we can achieve agreement in relation to the two extra pieces of legislation.

Senator BOLKUS—Can I turn to New South Wales. Where are we there?

Mr Fletcher—Again, we have made good progress with New South Wales at the officials level towards resolving the outstanding issues. There are a number of matters of detail that need to be addressed. New South Wales will probably be seeking in-principle endorsement of a position in the near future and then coming back to the Commonwealth with a proposal.

Senator BOLKUS—So is there money involved there?

Mr Fletcher—Again, I think they would be looking to having a review clause in terms of costs included in the agreement.

Senator BOLKUS—So there are no real sticking points with New South Wales, then?

Mr Fletcher—Not at the moment, but we need to see their detailed proposal.

Senator BOLKUS—Okay. And Victoria?

Mr Fletcher—Victoria are looking at basically trying to get accreditation of the suite of their legislation. We have a detailed proposal from them at the moment, and we are currently considering that, looking at that against the benchmarks.

Senator Hill—Victoria started later, as I recall.

Mr Fletcher—They started later.

Senator Hill—Their position is also more complex than most in terms of the number of pieces of legislation under which they give planning approvals. Although starting late, as I recall it, they are now proceeding positively on the issue, and I think considerable progress is being made.

Senator BOLKUS—Okay. Can I move to the key threatening processes. How many processes have been identified or nominated so far as key threatening processes?

Senator Hill—Endangered species, or under the—

Senator BOLKUS—Legislation.

Mr Beale—This is really a Natural Heritage Division issue.

Senator Hill—Is that the end of the assessment bit? We will get a new team.

Senator BOLKUS—Yes. Who is going to help us with the key threatening processes?

Mr Kitchell—The question was the number of threatening processes which have been listed under the EPBC Act?

Senator BOLKUS—Yes.

Mr Kitchell—The answer is: none. There have been none listed at the moment, but the Endangered Species Advisory Committee, the scientific advisory committee, currently have before them a number of nominations. They have made no recommendation to the minister yet.

Senator BOLKUS—How many nominations do you have?

Mr Kitchell—I do not have that figure in my head. We can certainly get that for you. The nominations are both for additions to the list of species and to threatening processes themselves. I would say it was quite substantial—certainly scores of nominations—but, as I say, that is for individual species plus threatening processes.

Senator BOLKUS—Could we get on notice some breakdown of the nominations and the species?

Mr Kitchell—Yes, we can do that.

Senator BOLKUS—Has a decision been made as to whether the government will develop a threat abatement plan? I suppose you would not have made a decision so far, would you?

Mr Kitchell—For—

Senator BOLKUS—For any of the key threatened species. Has there been any in-principle decision as to how you will tackle it?

Mr Kitchell—There were some made under the previous legislation, the Endangered Species Protection Act, but there have been none made since the arrival of the new act.

Senator BOLKUS—Has there been a hold-up in terms of any that might have been being progressed under the previous legislation?

Mr Kitchell—Not as a result of the legislation, no.

Senator BOLKUS—No, but has there been a hold-up? Were there plans to be developed that have been put on hold or have been deferred?

Mr Kitchell—No, there have not been. The only hold-up has been in relation to the appointment of the new scientific committee. That has delayed things a little, but that is the only mechanism that has caused us a problem.

Senator BOLKUS—Okay. That committee still has not been appointed?

Mr Kitchell—No, it has been appointed.

Senator BOLKUS—When was that?

Mr Kitchell—Again, I cannot be certain, but it was in the second half of last year.

Senator BOLKUS—Okay. That is all I have for you, thanks. Minister, can I turn to matters nuclear? Does the department send anyone to IAEA conferences or meetings in Vienna? Was anyone sent to any last year?

Senator Hill—Under nuclear we have the assessment people and we also have the supervising scientist in relation to the Alligator River mines.

Senator BOLKUS—I think I will be more concerned today about the IAEA and Lucas Heights. But let us start and see how we go.

Senator Hill—Lucas Heights is the assessment branch.

Senator BOLKUS—Mr Morvell, has anyone from the department participated in any meeting or conference of the IAEA in the last calendar year?

Mr Morvell—Yes. I attended a meeting of the IAEA—a symposium on uranium and the environment—in September-October 2000. Also attending that meeting were representatives from the Office of the Supervising Scientist—Arthur Johnson and Peter Waggitt—and there were a number of other Australians, but I do not believe they were in a capacity of representing the Commonwealth.

Senator BOLKUS—Do you have an agenda for that conference?

Mr Morvell—I do have an agenda. I do not have it with me.

Senator BOLKUS—Could you make it available to us?

Mr Morvell—I can certainly make that available.

Senator BOLKUS—There would have been a series of papers presented. Can we get them?

Mr Morvell—There were papers presented. The proceedings have not been published yet. In fact, a couple of weeks ago I inquired about that and the proceedings will be published within the first half of this year. So we are expecting that within a few months you will have the proceedings.

Senator BOLKUS—Is there any confidentiality problem with any of the papers?

Mr Morvell—Not that I am aware of, and I do not believe at the time the papers were presented that any of the speakers identified a confidentiality difficulty.

Senator BOLKUS—So is there anything to stop you from providing the papers to us?

Mr Morvell—Nothing, except that I do not have a comprehensive set of the papers. A lot of the speakers spoke at the symposium but did not table their papers, so I do not have a full set.

Senator BOLKUS—Can we get the ones you have got?

Mr Morvell—I can certainly provide those, yes.

Senator BOLKUS—On the agenda was there any discussion of individual reactors in any part of the world such as Lucas Heights or Egypt?

Mr Morvell—I do not recall any papers focused specifically on reactors as such. The major focus for the symposium was really the issue of radioactive waste management. There were a number of presentations on the issue of rehabilitation and some of the problems that have occurred with radioactive waste disposal around the world.

Senator BOLKUS—Did anyone from Egypt make a contribution?

Mr Morvell—I do not recall. I would have to check. I do not recall a specific one on Egypt.

Senator BOLKUS—Could you check that? If you have got copies of it, that would be great. Minister, you gave us evidence last year that it was not necessary that you, as Minister for the Environment and Heritage, be satisfied that the conditions be met in respect of the new reactor and that all you were doing was making recommendations. Has there been completion of the ministerial conditions for approval of the proposed replacement reactor? Have you settled those conditions or are you still progressing them?

Mr Morvell—There was a range of conditions, some of which were preconditions on construction licences which would have to be issued by ARPANSA and some were conditions that related to future stages, including further analysis of accident scenarios when the detailed design of the reactor was presented. At the time the minister signed off his recommendations we had a concept reactor which set out a size and style of reactor, but it did not have the detailed design, and therefore a number of our conditions went to the heart of saying that there would need to be further checks along the way. So at the present time all of the conditions definitely have not been met or complied with and in fact they could not have been complied with. We are working closely with ARPANSA on how those conditions would be met. As I said, one of the first decisions coming up within 12 months will be the issue of whether or not ARPANSA is prepared to issue a construction licence. Several of the minister's recommended conditions will then have to be checked off in that process.

Senator BOLKUS—What you are telling me is that the conditions that you developed are based on concept. You now have a firm proposal. Are you reviewing the conditions?

Mr Morvell—We will not be reviewing the conditions as such. As the successful tenderer comes forward with the detailed design, there will be matters that will need to be checked against the conditions we set.

Senator Hill—We made the recommendations. The industry minister set the conditions, but some of those conditions that he set require reference back to us. That is the scenario.

Senator BOLKUS—When do you anticipate that this tenderer will be identified? What is the timetable? You said that you are waiting for—

Mr Morvell—The tenderer has been identified.

Senator BOLKUS—What were you referring to earlier then? Did you refer to identification of the tenderer or identification of a firm proposal?

Mr Morvell—It is their proposal. The government has selected a successful tenderer and that is the Argentinian consortium led by INVAP. They are now developing the detailed

design of a reactor based on the conceptual design that was proposed by ANSTO and assessed by the department. The important thing about that is that it set out the size of the reactor and the type of the reactor, particularly in the sense that it will be a pool reactor. There were conditions, such as there would be no emissions from such a plant and the design of the containment, that will all have to be now incorporated in the detailed design. It is that detailed design that will go to ARPANSA and they will check off against our conditions.

Senator BOLKUS—So you were not referring to any subcontract? It was the detailed design that you were referring to earlier?

Mr Morvell—That is correct.

Senator BOLKUS—What is the timetable for that?

Mr Morvell—We are not privy to the exact timetable. We are not involved in managing that. But my understanding from discussions with ANSTO in recent months is that they are some months behind what ANSTO would have regarded as their preferred time frame.

Senator BOLKUS—What is the next step in your process? You have got your conditions for approval.

Mr Morvell—In terms of the construction, the detailed design work will be presented to ARPANSA. At that point in time, we would expect ARPANSA and ourselves to check off that the minister's conditions in relation to construction have been met.

Senator BOLKUS—Do you anticipate that once you get this detailed design you will have to have another look at the conditions for approval to see if they are adequate? Is there latitude for that?

Mr Morvell—There is certainly latitude for that, because some of the conditions set tests to be met in terms of design. If for some reason the design that is submitted does not meet those, we would be recommending that further assessment be done.

Senator BOLKUS—At the previous committee hearing, there was an expression by the minister that they are merely recommendations and that he does not have to be necessarily satisfied that all the conditions be met. What level of compliance would you see as adequate? I would have thought every condition was important, or do you grade them in terms of a highly important priority or not important?

Mr Morvell—I think the minister was referring to the fact that the range of conditions would be met in a number of statutory processes and non-statutory processes. The licensing through ARPANSA sets very clear criteria under their legislation that have to be met. Our conditions have been dovetailed in to be part of that criteria setting. There were other conditions the minister set, for example, in relation to community right to know charter, which in fact does not have any legislative status to it but rather would be an agreement that the minister would endorse—that is, an agreement between the community representatives and ANSTO about access to information—and that issue has not yet been finally resolved. So there is a range of ways in which those conditions will be met. Neither the department nor the minister would have interpreted that as meaning that any condition will be less important than another.

Senator BOLKUS—Condition 2 states:

ANSTO must prepare a construction environmental management plan (EMP), to the satisfaction of the Minister for the Environment and Heritage, prior to construction commencing.

Has ANSTO discussed elements of any such plan?

Mr Morvell—We have not received any details from ANSTO as yet.

Senator BOLKUS—Have you discussed with ANSTO what would be to the satisfaction of the minister?

Mr Morvell—No, we have not done that. We have met with ANSTO on a number of occasions over the years in which we have been doing the assessment. We and ANSTO are aware of the types of matters that would have to be addressed in the environmental management plan based on ANSTO's own experience with Lucas Heights and international experience with similar research reactors. But at the present time we have not been presented with detail from ANSTO. My colleague just reminded me that there is a reporting mechanism to the minister from ANSTO about the status of each of the conditions that were recommended. We have received the first of those reports and we made that public. We would expect another one in the foreseeable future.

Senator BOLKUS—As you know, ANSTO does not like telling us too much. Why would there not be such an environmental management plan developed and approved prior to the awarding of a contract?

Mr Morvell—There are two reasons. One is that it would be difficult for any environment management plan to be produced before you had identified the company that was going to do the work, because a lot of the environment management plan includes the detail of how the company would operate to meet a certain suite of outcomes. In normal practice in any development proposal you would have to have the company doing the work to prepare the environment management plan because of the level of detail required.

The other issue was that we did not have a detailed proposal in our assessment. We had a concept design and, therefore, a range of matters would have to come forward in the environment management plan which will be developed over the coming 12 months as the construction phase begins. Then in terms of the operational phase, more and more detail would go into that environment management plan. So there was nothing unusual about not having an environment management plan at the time we did our assessment nor at the time approvals were given.

Senator BOLKUS—So when do you anticipate the plan will be ready for consideration?

Mr Morvell—It will have to be done and agreed to by the minister before a construction licence is issued because, once that is done, the successful company can then proceed to do their work. At that stage we have to have an environment management plan in place. So in the next 12 months it will have to be done.

Senator BOLKUS—So does the minister have the power, for instance, to say, 'It's not good enough. Go back and start again'?

Mr Morvell—The minister does not have a statutory power himself to do that, but ARPANSA does have a statutory basis on which to agree or disagree on the way in which some of the issues would be managed. If the minister were not satisfied with some aspect of it, we would be not only advising ANSTO and the company but also informing ARPANSA that the conditions the minister had set had not been met and that that matter should be then dealt with as part of their licensing arrangements.

Senator BOLKUS—Is that one of the powers of ARPANSA that could be at the direction of a government or a minister?

Mr Morvell—I am not certain. I doubt that the ARPANSA legislation has direction of the—

Senator BOLKUS—Not this minister but any minister? I do not think it is this minister. I think it is possibly the minister who has responsibility for—

Senator Hill—I do not know.

Senator BOLKUS—Maybe you would like to take it on notice for us.

Mr Morvell—We will take that on notice.

Senator Hill—You can look it up as effectively as we can.

Senator BOLKUS—I think I already have. I just want to get confirmation. I would like it from you. It has a bit more weight.

Senator Hill—Thank you.

Senator BOLKUS—Condition 3 states:

ANSTO must consult with the NSW Roads and Traffic Authority to determine if upgrading of the intersection between New Illawarra Road and the LHSTC entrance ...

Has this condition been met?

Mr Morvell—We are not aware of a decision that has been made at this stage, but we would expect to be reviewing this as part of the reporting back from ANSTO.

Senator BOLKUS—So you have not checked with ANSTO as to whether that has already been done?

Mr Morvell—No, we have not.

Senator BOLKUS—So you will find out for us and come back to us?

Mr Morvell—I will check that and take it on notice.

Senator BOLKUS—Condition 5 states:

A Stormwater Control Plan must be developed during the design stage ...

Has this been met yet?

Mr Morvell—Again, I do not believe it has been met. It is part of the ongoing planning approvals and will depend to some extent on the detailed design work and the construction regime being proposed by the company.

Senator BOLKUS—Obviously it would depend on that. I am just trying to get a fix as to what work, I suppose, is going on in respect of that. Can you come back to us with an indication?

Mr Morvell—I will check the current status for you.

Senator BOLKUS—Condition 6 states:

ANSTO must review the *Lucas Heights Buffer Zone Plan of Management* (1986), in consultation with relevant stakeholders ...

What progress has been made on that?

Mr Morvell—I have not got details of progress of that one for you. We are aware that ANSTO have indicated to us in discussions that they are progressing all of those matters, but the actual status of each is uncertain to me at the present time. If you wish, I can get an updated report from ANSTO about where they are at and provide that to the committee.

Senator BOLKUS—Who is actually doing the consultative work with ANSTO? Is it you two, or are there others in the department?

Mr Morvell—Do you mean for the Environment Department?

Senator BOLKUS—For this particular proposal.

Mr Morvell—No, we are responsible in the Environment Assessment Branch.

Senator BOLKUS—You and Mr Millard?

Mr Morvell—Yes.

Senator BOLKUS—No other officer?

Mr Morvell—There will be other officers who—

Senator BOLKUS—But to date there has not been?

Mr Millard—In my section.

Senator BOLKUS—So to date there has not been any other officer who has responsibility for consultation with ANSTO or—

Mr Morvell—There have been over the last few years a number of officers involved.

Senator BOLKUS—But on this particular project?

Mr Morvell—At the present time—

Senator BOLKUS—It is just you two?

Mr Morvell—Yes.

Senator BOLKUS—What level of discussions are there? Is there an IDC?

Mr Morvell—No. Our discussions in recent times have been at an informal level of meetings and telephone discussions. They have been driven by specific issues rather than a concern that all of the matters have not been addressed. There is an interaction with other Commonwealth departments, again at an informal level for ourselves, in which we keep track of a number of matters. We also keep in touch with ARPANSA on an informal basis about where they see the processes are at to ensure that we are in a position to advise the minister before any of the key steps are reached.

Senator BOLKUS—What did you say about the buffer zone plan of management? What level of consultation are you embarking on in respect of that particular condition?

Mr Morvell—The way the conditions are set is that it is ANSTO's responsibility to review the buffer zone, as it is for many of the conditions. We are not directly engaged with ANSTO in driving that process. We have left ANSTO to do it and require them to report back, but clearly they have to meet the intent of all of those conditions, if not the specific letter, and that goes back to the issue of whether it is a statutory requirement or another.

Senator BOLKUS—So EA has basically put the process on automatic until ANSTO report back?

Mr Morvell—Definitely not on automatic. We have put it at a much lower key whilst a number of processes are going on. We need the information from ANSTO and their contractors and ARPANSA, and they are in regular discussion and regular meetings on a range of issues. We are providing more of a review mechanism at the present time.

Senator BOLKUS—But you have laid down around 30 conditions. I am trying to get an understanding of where they are on implementing those conditions. What I am getting from you is that you do not really know because you are waiting for them to report back to you.

Mr Morvell—No, we know where they are at. They are in the middle of their processes. They have not reached the end point on any of those, to the point that they have come to us and said they would like the minister to sign off on these matters.

Senator BOLKUS—But do you know, for instance, what stage they are up to with the buffer zone plan of management? Do we know what sort of plan they are preparing? Do we know that it is going to meet the sort of benchmarks that you might require?

Mr Morvell—At this point of time, no.

Senator BOLKUS—Condition 7 states:

Radioactive gaseous emissions discharged via stacks from buildings associated with radiopharmaceutical production—

here we are essentially talking about buildings 23 and 54—

must not increase above existing levels regardless of any future production increases.

Have you had an indication that that is going in the contract?

Mr Morvell—No. That is one of the issues that we quite clearly identify in that recommendation as a licensing issue for ARPANSA. At the time that the licence for production or change in production has to be issued by ARPANSA, we would expect that condition to be met through that licensing arrangement.

Senator BOLKUS—Have they accepted that it would be one of their conditions of licence?

Mr Morvell—All of the recommended conditions were accepted by Senator Minchin. Therefore our expectation is that, prior to the final commissioning of the reactor in a few years time, all of these conditions would have had to have been met at various times.

Senator BOLKUS—Condition 8 states:

ANSTO, in consultation with ARPANSA, should re-examine the issue of coordination and timing of processes which give rise to gaseous emissions from stacks with a view to minimising the impacts of radioactive gaseous discharges, to the extent practicable.

What do you mean by the words ‘to the extent practicable’?

Mr Morvell—The issue there was that their processes, when we examined them, indicated that there were peaks and troughs in the way the emissions were vented and we have regarded that as unsatisfactory. But the level of detail which Environment Australia could apply to this was somewhat limited because it goes to the heart of a number of the nuclear processes. We indicated that we wanted ARPANSA as the expert body for the Commonwealth to review those arrangements with ANSTO with a view to minimising all of those emissions.

Senator BOLKUS—In relation to the term ‘to the extent practicable’, how do you anticipate that being complied with?

Mr Morvell—It reflected some uncertainty on our part about whether technologies and processes could be made available to change the way emissions were vented and whether in fact some of those might cost. To the extent that cost became a factor, to the extent that changing processes in one part of a system might lead to changes elsewhere, that was something we in Environment Australia were uncertain of ourselves, and therefore we asked ARPANSA to look at that. So it was really a reflection of some uncertainty on our part, but we would expect that ARPANSA would be able to apply their expertise and come up with some firm decisions on what should be done.

Senator BOLKUS—Have you tried to clarify that uncertainty? Are you still working on this?

Mr Morvell—We haven't. We have asked ARPANSA to do that on behalf of the Commonwealth.

Senator BOLKUS—Yes, but we are talking about a fairly important condition. You said that all of the conditions were as important as each other. You had some scientific uncertainty. You do not feel an obligation to try and bring that to some sort of definition and see if you can pursue this further?

Mr Morvell—We would await the outcome of advice from ARPANSA on that matter before we decided whether we should pursue the matter of greater scientific certainty. If ARPANSA were not able to give us confidence that the matter could be addressed or if they remained uncertain, then I think Environment Australia would be in a position to recommend to the minister that this might be an area that requires further scientific analysis.

Senator BOLKUS—So if ARPANSA gave you an assurance, you would be satisfied?

Mr Morvell—By and large, yes.

Senator BOLKUS—Why by and large?

Mr Morvell—I am speculating. I do not know the nature of their advice. We would have a high level of confidence in their advice. If, however, they were in any doubt or as a result of their advice we were unconvinced, we would not see that as a restriction on us going to the minister and requiring further assessment.

Senator BOLKUS—But would you be in a real position to scrutinise any assurance they gave you?

Mr Morvell—If we had any doubt about the advice they gave us—

Senator BOLKUS—You are not doing any further research work. You had some uncertainty. You are basically saying that if ARPANSA gave you an assurance, then that would be it. I am trying to work out how you could define your understanding of the issues here in a way to adequately scrutinise any assurance ARPANSA gave you. The way we are now is that the state of your knowledge when they come back to you would be the state of your knowledge when you formulated this condition and allowed the out of 'to the extent practicable'.

Mr Morvell—We would look at this in terms of the objective we had set, and that was to minimise the impact of the discharges. If ARPANSA are able to satisfy us that their licensing conditions minimise that—we would check that ourselves by reference to international best practice experience—then we will take it no further.

Senator BOLKUS—Condition 9 demands:

A review of the method of molybdenum-99 production process must be undertaken by ANSTO, in consultation with ARPANSA, to investigate means whereby the isotope can be produced and isolated with decreased releases of subsidiary radioactive waste products.

Is this condition being met?

Mr Morvell—I am not aware that it is being met at the present time, but we have made it clear that that is a matter that is to be completed to the satisfaction of ARPANSA.

Senator BOLKUS—Before licensing, or is it a condition of licence? I suppose it has to be done before licence.

Mr Morvell—All of these would have to be done before various licences were issued. That one relates to production, so it would not have to be necessarily done prior to a construction licence being issued. But certainly in terms of any operational issues it would have to be done before licences were issued.

Senator BOLKUS—Condition 10 states:

A high priority must be given to the review and licensing of radioactive waste discharges to sewer by ANSTO.

What is the state of play with that one?

Mr Morvell—Again, that is a matter that we are waiting for ARPANSA to give us advice on as to whether that has been completed satisfactorily.

Senator BOLKUS—It was not met as part of the process so far? It was not met prior to the awarding of the contract? It was not part of the preconditions or the conditions of the contract?

Mr Morvell—No, because it is an operational issue. There may or may not be issues that come forward in terms of the detailed design of the reactor, but our advice was based on the fact that before we get to the operational phase this issue needs to be resolved. ARPANSA, as the licensing body, was the most appropriate body to conduct that review with ANSTO.

Senator BOLKUS—But you do not know what they are doing to put this into effect?

Mr Morvell—There are working groups established between ARPANSA and ANSTO on a range of these conditions to ensure that the matters are dealt with, but we are not party to those, nor do we have to be party to those.

Senator BOLKUS—Wouldn't it be desirable that you were?

Mr Morvell—It would only lead to a duplication of the government's regulation of the reactor, and we are not equipped nor charged with the role of a day-to-day regulator of a nuclear reactor, and the government has made that very clear in its establishing of ANSTO.

Senator BOLKUS—Sure, but with due respect to you, I do not think you are instilling much confidence in the process of all the conditions we are going through. EA does not have an ongoing understanding of how they are being implemented, how they are being progressed, how they are being monitored.

Mr Morvell—No, that is the wrong impression, and I do not think I was giving that impression. We set, in our assessment, a range of objectives and outcomes that had to be met before this new reactor could become operational. We identified the best arrangement in terms of the regulation of those. Most of those that are technical and scientific matters relating to the nuclear cycle are best dealt with by ARPANSA, but in all of those circumstances the reporting is still to the Environment Minister, and we retain the right to review any of those conditions and the progress on them at any time if we are not getting a satisfactory response. But most of these are at a stage where they are in that process at the present time.

Senator BOLKUS—Condition 11 states:

As part of the groundwater monitoring program ... ANSTO or its contractors must establish bores at appropriate locations in the LHSTC and the buffer zone to ensure coverage of contaminants from the site overall ...

Do you know what has been done to ensure that that is happening? It is something that should be happening now, shouldn't it?

Mr Morvell—It is, and that is one of the issues that ARPANSA are working with ANSTO on at the present time.

Senator BOLKUS—Do you know what they have done?

Mr Morvell—I do not have the details of what they have done to date.

Senator BOLKUS—Do you know if they have done anything in that respect?

Mr Morvell—I know they have been reviewing the issue of the monitoring program in preparation for any decision making they intend to do.

Senator BOLKUS—Do you know if they have identified the appropriate locations to establish the bores?

Mr Morvell—I do not have that information.

Senator BOLKUS—Condition 12 states:

ANSTO must consult with ARPANSA with a view to establishing a radiological site characterisation, or 'footprint', for the reactor site ...

Do you know what stage they are up to in respect to that?

Mr Morvell—Again, that is another one where we have identified ARPANSA as the lead, and they are working with ANSTO on that issue. I do not have any details.

Senator BOLKUS—Mr Millard does not?

Mr Morvell—No.

Senator BOLKUS—Condition 13 states:

The Preliminary Safety Analysis Report (PSAR), to be prepared at the detailed design stage, must be subject to independent peer review to the satisfaction of ARPANSA.

Mr Morvell—That is correct, and it identifies that that must be done at the detailed design stage, and that is what ANSTO are waiting for at the present time.

Senator BOLKUS—What would be an independent peer review to satisfy your concerns here?

Mr Morvell—We would expect that that would be peer reviewed internationally by recognised experts in the field of nuclear safety. When we did our assessment, we engaged two international consultants to advise us on reference accidents. We also engaged the International Atomic Energy Agency through their expertise to provide a third peer review of what had been proposed. We would see that there would be nothing less than that in this safety analysis.

Senator BOLKUS—Condition 15 goes to preparation in respect of earthquakes and the fast loss of coolant accident. This is one of those conditions that has been left to ARPANSA, I presume.

Mr Morvell—It is. It must be taken up in the safety analysis, so it in fact will be on the public record of whether or not it can meet the required standard. But again, ARPANSA have the lead in terms of dealing with that issue.

Senator BOLKUS—When did you say the safety analysis would be made public?

Mr Morvell—There is no reason why the safety analysis would not be made public, in our view.

Senator BOLKUS—Do you have any idea of the timing of when it might be?

Mr Morvell—It cannot be done until the detailed design of a reactor is presented by INVAP. Therefore, at a best guess, you are looking at the latter half of this year at the earliest.

Senator BOLKUS—Condition 16 states:

The consequences resulting from loss of off-site electricity for water supply and fire fighting purposes must be examined as part of the PSAR.

How do you anticipate that this condition would be met?

Mr Morvell—We have set the objective. What we would expect is that the safety analysis would detail how in fact the water supply issue can be managed, depending on what type of reference accident is chosen as the base for the safety analysis. It will have to be detailed in that safety analysis report.

Senator BOLKUS—Condition 18 states:

The final design of the reactor should include a fixed and possibly automatic fire suppression system ...

Have you indicated what sort of level of system would be required there? What, for instance, is adequate?

Mr Morvell—No, we have not. We have set the objective. The safety analysis review will have to include the details of what sorts of systems are needed at various safety scenarios. So those sorts of issues are very difficult for us to detail at this point of time, and it is one of the things that would be publicly addressed in that safety analysis.

Senator BOLKUS—Condition 21 states:

The Safety Analysis Report for the reactor must include provision for ongoing monitoring and audit of the frequency and severity of external events ...

Have you indicated what sort of benchmark would be adequate for such ongoing monitoring and audit?

Mr Morvell—We have not indicated a benchmark. Some of the details of what would be a benchmark are going to come out of a safety analysis. We did not set the benchmark simply because when we were doing the safety analysis it was a concept reactor, and it probably would have been inappropriate for us to have chosen benchmarks when we are dealing with concepts. But we were aware that this would have to go through a detailed analysis once the design was available, and the benchmarks would come out of that process.

Senator BOLKUS—Is there any world's best practice that you would look at?

Mr Morvell—Is there?

Senator BOLKUS—Yes.

Mr Morvell—In the independent peer reviews that are to be done, we would expect that those experts would apply world's best practice in their peer review, and we would be prepared to independently verify that if we had any doubt that that was not the case.

Senator BOLKUS—Condition 22 refers to emergency plans and arrangements subject to independent review. What sort of structure would you recommend for that?

Mr Morvell—We have not recommended any particular structure for that. Emergency plans already exist at Lucas Heights. They involve, in particular, a range of state agencies, including the fire services and other emergency services. We would expect that their considerations would be paramount in the way that emergency plan is drawn up.

Senator BOLKUS—But you recommend that the existing arrangements must be updated; so you obviously anticipate that something further needs to be done. What did you mean by the need for updating?

Mr Morvell—The replacement reactor will be built on the site, and even though the existing reactor will be shut down, it will still exist in a cooling-down phase for probably 30 years. Simply, what we were getting at is that there had to be recognition that you were putting an additional facility on that site. When the detailed design is known, that will dictate some of the emergency management responses, and we would expect that the fire services, police, ambulance and others in New South Wales will probably be involved in expanding those plans.

Senator BOLKUS—What did you mean by ‘must be subject to independent review’?

Mr Morvell—Our view is it would be an independent review by the public. In other words, they had to be publicly available, as most emergency plans are.

Senator BOLKUS—You were not anticipating a review process of any sort?

Mr Morvell—We had not identified a review process because during our assessment phase we met with New South Wales agencies and they made it quite clear that their existing processes would be adequate in terms of carrying the issue forward, and we accepted that. The reason for the ‘independent’ is that in Australia we only have one nuclear reactor and it may be appropriate to look at experience overseas in terms of emergency management.

Senator BOLKUS—In your view, would it be desirable that there be an independent review process?

Mr Morvell—Yes.

Senator BOLKUS—Condition 23 states:

The emergency management plan must also include a specific plan aimed at facilitating community understanding ...

What do you anticipate there?

Mr Morvell—This was largely focused on community education in relation to emergency response. There is nothing new in that in terms of the way emergency services develop their plans, but we wanted to make it quite clear in our advice that, with the level of community uncertainty about the nuclear reactor, it is important that those emergency management plans are fully understood by the whole community.

Senator BOLKUS—Condition 24 states:

ANSTO must develop a specific program for ongoing community consultation ... to the satisfaction of the Minister for the Environment and Heritage.

What do you anticipate there? Do you anticipate the minister going through a public process to assure himself or herself of the level of appreciation in the community, or do you think something less than that is adequate?

Mr Morvell—The obligation is on ANSTO to engage in a detailed community public information campaign. We are aware that it already has a significant community public relations campaign. It is reporting to us and the minister annually on that program as part of the minister’s review about whether that is adequate or not.

Senator BOLKUS—So what you are implying is that what is going on now would be adequate to satisfy the minister in the future if the level of activity that is going on now continues?

Mr Morvell—I think that is a fair assumption. I do not have the detail of ANSTO's program in front of me at the present time to say whether what they are doing right at the moment is adequate or not, but certainly in our view their overall program was adequate for the purpose of informing the community. There are members of the community who disagree with the information that is coming out, but that does not invalidate the awareness programs that have been run by ANSTO.

Senator BOLKUS—If it is adequate, then why do you have the next condition—that is, 25—which states:

A high priority must be given by ANSTO to finalising a 'Community Right to Know Charter' ...

Mr Morvell—The issue here was a somewhat different issue. It did not relate to general education or information campaigns for the community. It related to a disagreement between ANSTO and a number of community organisations and local government about access to information held by ANSTO. The issue is not yet resolved, but it centres on the level to which ANSTO believe that some of the information they have is confidential or may raise matters of national security. There is a disagreement about whether they should be handing that out to all members of the community. The community have a somewhat different view. Their view is that 100 per cent of the information held by ANSTO should be made available. The issue is not resolved, but it centres around a debate over whether the freedom of information legislation is adequate to protect the interests of both the government and the community in passing information.

Senator BOLKUS—Do you think ANSTO are overcautious?

Mr Morvell—We have not got any information to suggest they are overcautious.

Senator BOLKUS—How do you anticipate this right to know charter being developed? Has it been developed as yet?

Mr Morvell—There have been meetings between the parties chaired by a facilitator, Mr Justice Woodward. The parties have failed to reach agreement on this issue of whether or not the community has a right to 100 per cent of the information held by ANSTO. The minister has written to a number of the community representatives in those negotiations seeking their final comments before he makes a decision. The department is yet to provide the minister with advice on this matter.

Senator BOLKUS—So you are involved?

Mr Morvell—We are involved in advising the minister on the matter and we have been keeping in close touch with all the parties.

Senator BOLKUS—Have you been at the consultations?

Mr Morvell—No.

Senator BOLKUS—Is there a timetable for finalisation of the charter?

Mr Morvell—There is no timetable as such, but we would expect that the issue will be going to the minister very shortly, because in the last few weeks we received further comment from some of the community representatives on the negotiations.

Senator BOLKUS—Condition 26 is a pretty critical one. It states:

Reactor construction should not be authorised until arrangements for the management of spent fuel rods from the replacement reactor have been demonstrated to the satisfaction of ARPANSA and the Minister for the Environment and Heritage.

What sort of process would you develop to provide an independent assessment to the minister, independent from, for instance, ARPANSA?

Mr Morvell—On this one in particular we have had a much closer interaction with ANSTO on the arrangements proposed for the fuel to be used. We have not got final detail from ANSTO on the fuel types and the fuel mix to be used because it is somewhat dependent on the final design information from INVAP. We have had preliminary information from ANSTO and we have indicated that we would want far more detail than they originally proposed before we would be prepared to go to the minister. We have been talking with ARPANSA, but this particular condition is one of the critical issues in terms of environment protection in that it is very important to understand what is going to happen with fuel because the fuel type drives an issue of even far greater concern at the end—that is, the waste management strategy. We would be advising the minister separately from ARPANSA's view, but from our early interactions with ARPANSA I think it is fair to say that we share the same concern that we do not have sufficient information from either ANSTO or the company about the fuel types and fuel management strategy. We would expect that that will be coming forward when the detailed design of the reactor is presented. We also made it very clear that this was an important one in terms of being given statutory effect through the licensing arrangements.

Senator BOLKUS—You say you have some specific concerns. Can you detail what they are?

Mr Morvell—The concerns relate to the lack of certainty of what fuel mix the new proposed reactor will be using.

Senator BOLKUS—You have obviously raised those concerns with ARPANSA.

Mr Morvell—We have spoken with ARPANSA informally. They share the same concern about lack of certainty at the present time. It is not a concern that cannot be resolved, but it is just that we do not have sufficient information from INVAP nor ANSTO for us to go to the minister and say, 'This matter can be dealt with.'

Senator BOLKUS—So there is a real big question mark over this, is there not, in terms of the fuel mix?

Mr Morvell—There is some uncertainty about which fuel mix they will use. That in itself is not necessarily an environmental concern, but as I said the fuel mix drives some of the waste management and reprocessing strategies at the end, and therefore it has to be resolved at least to the point where there is some certainty because then that will at least allow the government to understand what is going to happen with the waste at the end or what strategies might have to be put in place.

Senator BOLKUS—Have you been led to believe that the fuel mix will be identified in any particular stage? Do you expect it this year?

Mr Morvell—We would expect it to be identified when the detailed design of the reactor comes forward. It would have to be identified at that stage. There have been suggestions from the company about different fuel mixes but, as I said, that has been the problem for us—that we want something very specific on what fuels are going to be used.

Senator BOLKUS—Because of your concern about the waste management strategy?

Mr Morvell—Yes.

Senator BOLKUS—Have you made assessments as to what strategies would be required depending on alternative fuel mixes?

Mr Morvell—We have not, but we have made it clear—in fact, the next recommendation relates to the issue of progress in terms of waste management and the like. They are interlinked and we would see that having to be resolved before final decisions are made by the government on the licensing of the reactor.

Senator BOLKUS—What does waste management strategy encompass? It encompasses spent fuel rods. What else?

Mr Morvell—It encompasses the issue of the management of the spent fuel rods on the site for whatever period of time is required and the future reprocessing—if that is required—of the fuel rods to remove fuel that can be recycled and create intermediate waste. The issue then moves to the issue that the government is already focusing on and that is what you do about the long-term storage of the nuclear waste. The type of waste and when you get it depends on what sort of fuel and what arrangements are put in place for reprocessing. We do not have, and the government does not intend to have, a reprocessing facility in Australia. Therefore, we are going to be dependent on what arrangements are put in place internationally to reprocess the fuel before it comes back for long-term storage.

Senator BOLKUS—Sure. So by the term ‘waste’ we include spent fuel rods, do we?

Mr Morvell—Yes.

Senator BOLKUS—And what else do we include?

Mr Morvell—And reprocessed fuel rods, the waste that comes out of that.

Senator BOLKUS—So it is waste when it goes in and waste when it comes out after the reprocessing process?

Mr Morvell—When the fuel rods are reprocessed, there is part of it which clearly can be reused again. They can take some of the fuel out but they are left with a substantial amount of waste for which at the present time there is no conceivable use.

Senator BOLKUS—There is a lot of waste that goes in but there is a little bit less waste that comes out?

Mr Morvell—Correct.

Senator BOLKUS—Right. Okay. Is waste defined in any legislation?

Mr Morvell—There are definitions of waste. They are defined internationally with the IAEA and, I would have to check, but I imagine that they are, in fact, defined in ARPANSA legislation, but I would confirm—

Senator BOLKUS—The definition includes spent fuel rods?

Mr Morvell—It defines different types of waste from different processes and, clearly, the origin is waste fuel from reactors.

Senator BOLKUS—How do you anticipate finally assuring yourselves on this? Are you taking legal advice, for instance, to test the obligation under the contractual arrangements that INVAP would have to take the fuel rods back to Argentina?

Mr Morvell—The short answer is, no, we have not.

Senator BOLKUS—Do you think that there may be a need for that—to test the contractual obligation?

Mr Morvell—I think that is a matter that we would take to the minister at the time we understand what is proposed. If there are issues there that we have some uncertainty on, then it would be a judgment of the minister and the government as to how they wanted to manage that.

Senator BOLKUS—If there is some question mark as to whether INVAP could take the spent fuel rods back to Argentina, would that be of concern to you?

Mr Morvell—It would be a concern to us, yes.

Senator BOLKUS—When you drafted that recommendation to the satisfaction of the Minister for the Environment and Heritage, did you have in mind any particular process that would have been necessary in order to be sure of the minister being satisfied?

Mr Morvell—This is in relation to recommendation 26?

Senator BOLKUS—Yes.

Mr Morvell—No, we did not have any particular process defined at the time we made that recommendation. As I said, we are discussing this with ANSTO and ARPANSA. When we have a firm proposal from them, we will look at that in terms of our own understandings that we have gathered information on from sources when we are doing our assessment. If we had any doubt of our own ability to advise the minister, we would look at engaging some consultant on an international basis for an expert opinion.

Senator BOLKUS—And when would you imagine that this condition be met to your satisfaction—at the design stage?

Mr Morvell—We have set a limit that, in fact, the construction licence cannot be issued without this matter being resolved, and the government accepted that.

Senator BOLKUS—So, in that case, it has to be at the design stage.

Mr Morvell—It would have to be in the design stage and, on our understanding of the time frame, within the next 12 months.

Senator BOLKUS—Condition 27:

that the Minister for Industry, Science and Resources and the Minister for Health should give timely consideration to strategies for the long-term management and eventual permanent disposal of Australia's long-term intermediate-level nuclear waste, and associated issues.

How would you anticipate assuring yourselves that this is met?

Mr Morvell—When we prepared that advice, we were assuming that the decision on a repository for intermediate level waste was about to be made. You would be aware that the Government made a decision to separate the issues of low level repository and an intermediate waste site. The low level waste repository is now proceeding through environmental assessment. Senator Minchin announced, I think last week, that a new process was now under way to find a site on Commonwealth land for the intermediate waste repository. We would see that process of identifying the site and the subsequent environmental assessment, which we imagine would have to be undertaken, will satisfy that condition.

Senator BOLKUS—And that needs to be done prior to the awarding of the contract?

Mr Morvell—No, it does not need to be done prior to the awarding of the contract. We would not be receiving intermediate waste in Australia for long-term disposal for some years

and, therefore, there is a window of opportunity of a few years in which this needs to be resolved. I think our expectation is that it would be done before the final commissioning of the reactor to give the community some certainty. But that is a matter of some timing and judgment of the government of the day.

Senator BOLKUS—Condition 28 refers to ISO standard 14000. Do you require certification to ISO14000?

Mr Morvell—We have not set a specific requirement. We are aware, however, that ANSTO has already commenced a process of getting certification to the appropriate ISO standard.

Senator BOLKUS—But you do not see that as a strict precondition?

Mr Morvell—We did not set it as a strict precondition, because it was clear it was happening and there was no reason for us to indicate any further strengthening of the condition in relation to that. It is our understanding it is happening and it will happen and, therefore, we did not require any additional—

Senator BOLKUS—Your understanding is that it will apply in this instance?

Mr Morvell—Yes.

Senator BOLKUS—It will be part of the contract arrangement?

Mr Morvell—It would certainly apply to the contractual arrangement because ANSTO have set it out as their standards that will apply on the site for environmental management.

Senator BOLKUS—Condition 29 deals with reporting to the minister prior to construction commencing and so on. Is that going to be the one and only formal process that will govern this involving the minister for the environment?

Mr Morvell—No, it is a reporting mechanism for six-monthly reports. We received the first of those, I believe, about September last year.

Senator BOLKUS—Did you say that was published?

Mr Morvell—We did make that available because, in fact, I think a question was asked in this committee. But we did make that available and we will make all of those available. But it is certainly not the only mechanism, because some of the conditions we have been through are very specific—that the minister must be satisfied that they have been met. The reporting really is a mechanism to ensure that we can get information on all of the conditions that were set.

Senator BOLKUS—The minister was satisfied with that report? You are satisfied, Minister?

Senator Hill—I accepted their report.

Senator BOLKUS—Even though it came from Senator Minchin's department?

Senator Hill—It came from ANSTO.

Senator BOLKUS—You accepted the report. Was there no need to have any independent assessment of any aspects of it?

Mr Morvell—It was the first report and, therefore, at that level of progress we did not identify any issues that we saw as requiring any further assessment or study. In the future that may be different.

Senator BOLKUS—Were there no issues that required any advice from A-Gs?

Mr Morvell—No.

Senator BOLKUS—Can I turn to the proposed waste dump? Can you tell us what quality of environmental protection regulation you anticipate will be undertaken in respect of that store?

Senator Hill—If you are talking about the environmental assessment of the low-level repository, as you know there is that treaty of the Environment Protection and Biodiversity Conversation Act. We are presently considering the form and detail of environmental assessment that will be required, and I hope to settle that in the near future.

Senator BOLKUS—Do you anticipate your department having any ongoing role in monitoring such a store, if you are there?

Senator Hill—I think that really is premature. We will settle an environmental assessment process and out of that process I will make decisions. If you are assuming that I am going to approve the proposal, such approval could be with conditions. But that is a long way ahead.

Senator BOLKUS—Is it anticipated that state government regulations will govern the area, or will there be Commonwealth laws?

Senator Hill—It is likely to be a combination. The preferred option, as I recall, is on Commonwealth land. But there may be, for example, various transport matters that would be covered by state legislation.

Senator BOLKUS—That is the end of that. Can I indicate at this stage that there will be no questions for Marine and Water from me and no questions for Parks Australia. Those officers might want to do something more useful than hang around here. I have a number of questions in respect of Australian heritage.

CHAIR—We will move on to the Australian and World Heritage Division.

[12.17 p.m.]

Senator BOLKUS—I have some questions in respect of the Sydney Harbour Federation Trust. Minister, was it brought to your attention that the interim trust had obtained valuations on the sale and leasing basis in respect of Markham Close land?

Senator Hill—I am sorry?

Senator BOLKUS—In respect of the Markham Close land, is it your understanding that the trust has already done valuations on both a sale and leasing basis?

Senator Hill—I said in the Senate I did not think they had.

Senator BOLKUS—Have they?

Mr Bailey—As part of a process of assessing the costs of running the trust, we had the AVO undertake valuations of all of the properties, and that included Markham Close.

Senator BOLKUS—When was that done?

Mr Bailey—Earlier this year.

Senator BOLKUS—Can we get those valuations?

Mr Bailey—I am sorry, I am ahead of myself. It was last year.

Senator BOLKUS—Can we get those valuations?

Mr Bailey—Yes.

Senator Hill—Who conducted those valuations?

Mr Bailey—The Australian Valuation Office.

Senator BOLKUS—When was the minister's office advised of this?

Senator Hill—Just before you ask that, this is news to me personally. The valuation was on the basis of what tenure?

Mr Bailey—The point of the valuations initially was to establish what the ongoing costs of managing the assets were in terms of maintenance and so forth. It is possible to use a rule of thumb percentage basis for maintaining a building by knowing what its capital value is. It is of the order of two to three per cent.

Senator Hill—The capital value of the building?

Mr Bailey—That is right. So we had the Australian Valuation Office undertake a valuation of the existing condition of all of the assets so that we could make some reasonable projections on the—

Senator Hill—What does 'the existing condition of all of the assets' mean?

Senator BOLKUS—I thought I was supposed to be asking the questions; but I am enjoying it.

Senator Hill—I am just helping you out.

Senator BOLKUS—I needed a break.

Senator Hill—Anyway, we will find these valuations and if we can provide them to you, we will.

Senator BOLKUS—Why would you not provide them to me?

Senator Hill—I do not know if there is a separate valuation of the Markham Close—

Senator BOLKUS—It has already been identified that we have that.

Senator Hill—Hang on. The valuations of all of the land which there is no intention to dispose of we clearly have. Whether the land in Markham Close has been separately valued and on what basis I do not know. As I said, I did not know that they had conducted a valuation. And, if they have, whether it is commercially wise to disclose it publicly would be something that I would like to have considered.

Senator BOLKUS—It is quite apparent that the officer could probably answer the question better than you, so could I go back to the question I had asked?

Senator Hill—You can now ask your questions, yes.

Senator BOLKUS—When did you say the valuation was sought?

Mr Bailey—I would have to check the dates, but it was early last year.

Senator BOLKUS—The end of last year or early last year?

Mr Bailey—No, early last year.

Senator BOLKUS—That is when it was sought. It was provided soon afterwards?

Mr Bailey—It took a lengthy period because it involved the valuers entering every property and examining it.

Senator BOLKUS—Was it a decision of the trust that the valuations be sought?

Mr Bailey—Yes.

Senator BOLKUS—Could you provide for me the minutes of the trust meeting?

Mr Bailey—I can but I would have to check—

Senator BOLKUS—Okay. Do you know the date of the trust meeting? Maybe you would like to take that on notice: the date of the meeting, who was present, who was informed of the decision to seek valuations and when the minister's office was informed.

Senator Hill—These were valuations to assist with a maintenance obligation, were they?

Mr Bailey—We were attempting to get an understanding of the likely ongoing costs of maintaining—

Senator Hill—Buildings.

Mr Bailey—Properties, yes. Given that is a very lengthy process, in order to just get a rule of thumb we got—

Senator Hill—But they were not market valuations?

Mr Bailey—No.

Senator Hill—You had better tell Senator Bolkus that.

Mr Bailey—The original point of the valuations was not for market purposes, it was to assess the likely ongoing costs of maintaining the buildings. There are something like 400 buildings plus extensive infrastructure—roads, sewerage lines and so forth—and it was to get an assessment of the condition of those by dollar value so that we could use a rule of thumb to calculate maintenance.

Senator BOLKUS—If you can come back to us with a list of all the properties—or can you give it to me now?

Mr Bailey—I cannot give it to you now; I will have to come back to you.

Senator BOLKUS—Was the valuation that was provided on both a sale and leasing basis?

Senator Hill—Valuation of what?

Senator BOLKUS—Well, basically it was a valuation of market value.

Senator Hill—No, he just said no.

Senator BOLKUS—I am asking—

Senator Hill—You are repeating the question. He has already said no, it was not a market valuation.

Senator BOLKUS—No, no. 'The purpose may not have been for market,' is what you put to us. But was it a market valuation?

Senator Hill—I asked him and he said no. I said, 'Was it a market valuation?' and he said, 'No.'

Mr Bailey—No.

Senator BOLKUS—It was not a valuation as to what the price would have been at sale?

Senator Hill—It seems it was an assessment of the state of the buildings to determine what would be necessary to maintain them.

Senator BOLKUS—Was a price put on the building?

Mr Bailey—In the sense that this building is worth X amount in its current condition today, yes; but of the fabric of the building—

Senator BOLKUS—And was valuation as to what the value would be in terms of leasing also provided?

Mr Bailey—I am sorry?

Senator BOLKUS—The value in terms of leasing—a leasing value.

Mr Bailey—There has been a leasing valuation sought for Markham Close, yes.

Senator BOLKUS—When was that sought?

Mr Bailey—Around the same time. It came at the end of the process.

Senator BOLKUS—So you sought a valuation as to leasing value; you sought a valuation as to the value of the property?

Mr Bailey—The building stock, yes.

Senator BOLKUS—We are talking about Markham Close; we are talking about buildings. Are you divorcing from that the value of the land?

Mr Bailey—Yes.

Senator BOLKUS—So it is just for leasing that it was sought?

Mr Bailey—No. The point of the valuation originally was to establish what ongoing management or maintenance costs the trust might incur when it acquired these assets. In addition to that it did seek an opinion from the AVO on the leasing. They are leased at the moment, so we wanted to know what they were being leased for.

Senator BOLKUS—But you did not ask for a valuation of what it would cost to repair the building, did you?

Mr Bailey—No.

Senator BOLKUS—You asked for a valuation of what the building was worth.

Mr Bailey—Its degree of dilapidation, I suppose, is the basis.

Senator BOLKUS—You did not ask for a valuation on the degree of dilapidation; you asked for a valuation on what the building was actually worth. Did you ask for a valuation of what the degree of dilapidation was?

Mr Bailey—Yes.

Senator BOLKUS—And what did they tell you?

Mr Bailey—Well, it varied.

Senator Hill—What was the question? Sorry, I could not hear that question.

Senator BOLKUS—I am trying to work out this valuation of degree of dilapidation in terms of what that amounted to.

Mr Bailey—Perhaps I can explain it this way: it costs annually roughly two to three per cent of the capital value of the building, the bricks and mortar and so forth, to maintain it in its existing condition, whatever that condition is. The trust is acquiring an extensive array of built assets in a variety of conditions and, in order to obtain an estimate of the likely cost to the trust of maintaining that asset simply in its current condition, we had this valuation done and—

Senator Hill—It is a formula that is applied by some managers of property to estimate an annual cost of maintenance.

Mr Bailey—That is right.

Senator BOLKUS—And that cost is based on the value of the building. You just said it is two to three per cent of the value of the building.

Senator Hill—It is a rule of thumb.

Senator BOLKUS—So you had to assess the value of the building, didn't you?

Mr Bailey—Yes.

Senator BOLKUS—So you got a valuation on the building.

Mr Bailey—Yes.

Senator BOLKUS—And that valuation is basically the market valuation.

Senator Hill—No.

Mr Bailey—No.

Senator BOLKUS—Why not?

Senator Hill—Because it values the land, not the buildings.

Senator BOLKUS—That is another concept altogether but—

Senator Hill—The buildings are all in a state of disrepair. That is one of the big challenges.

Senator BOLKUS—Sure, and to work out what two to three per cent would be, two to three per cent is what you have indicated—

Senator Hill—No. You do not maintain the land you value, you maintain the buildings.

Mr Bailey—Two per cent is whether the building is in West Wyalong or Mosman. It does not make any difference.

Senator BOLKUS—Sure. So you need to work out the value of the building, don't you? Is that right, Minister? Did you hear that?

Mr Bailey—Yes.

Senator BOLKUS—You have to get the value of the building.

Senator Hill—I have heard every answer. I think you are having trouble understanding.

Mr Beale—It is the value of the improvement that is being sought, not the market value of the land and the building.

Senator BOLKUS—What is the value of the building if it is not the market value?

Senator Hill—Are you asking me?

Senator BOLKUS—I am asking any one of you. Mr Beale likes to help. What is the value of the building if it is not the market value?

Senator Hill—I will answer it. You can have a depreciated value of a building on land.

Senator BOLKUS—Depreciated value of the building in the marketplace.

Senator Hill—It is on that basis that I understand some property managers estimate an annual cost of maintenance.

Senator BOLKUS—You are pretty good at splitting hairs, Minister, but what we have got on record already from the officer is that they have got a valuation of the building, a valuation in terms of the market value.

Senator Hill—No, you have not.

Senator BOLKUS—If two or three per cent is a relevant figure, two or three per cent of what?

Senator Hill—Why don't we see—

Senator BOLKUS—Two or three per cent of the value?

Senator Hill—Why don't we see if we can get you these valuations and then you can make a considered judgment on what you have got.

Senator BOLKUS—I would like to see the valuations, but if you said to us, as you did just a little while ago, Mr Bailey, that two to three per cent is the acceptable level of property renovations, repair and so on, two to three per cent of what?

Mr Bailey—Of the cost of the built fabric.

Senator BOLKUS—The cost of the built—

Senator Hill—You see, depending on the tenure—

Senator BOLKUS—The cost of or the current value? Two to three per cent—

Mr Bailey—The depreciated value—

Senator BOLKUS—The current depreciated value.

Mr Bailey—of the bricks and the mortar or whatever the materials are.

Senator BOLKUS—Current depreciated value essentially means the value in the marketplace?

Senator Hill—If you are trying to work out what it costs you to maintain—

Senator BOLKUS—What is the difference between current depreciated value—

Senator Hill—The cost of the land is irrelevant.

Senator BOLKUS—How does it differ?

Mr Bailey—It differs in this way—

Senator BOLKUS—That is a concept you have just tossed into it.

Mr Bailey—If you compare a house in Markham Close of a depreciated value of \$100,000 for that building with a house in West Wyalong of the same \$100,000 value, the market value—and I presume you mean what you would gain if you sold that property—in Mosman versus West Wyalong would be wildly different, but the depreciated value of the house would be the same.

Senator BOLKUS—But did you seek that? Did you just seek a valuation?

Mr Bailey—We did not seek market valuations of the properties. We sought depreciated valuations of the buildings.

Senator BOLKUS—So if you take on notice a request for the document, I am sure the minister, once he sees it, will not give it to us.

Senator Hill—I am sorry?

Senator BOLKUS—I am sure once you see it you will not give it to us.

Senator Hill—Why? It depends on if I have no objection.

Senator BOLKUS—I am just going on form, Minister. There are also the other questions that were placed on notice. Thanks very much.

[12.33 p.m.]

CHAIR—We will move now to the Environment Quality Division.

Senator BOLKUS—I would like to go to the NPI. The most recent budget cut funding for this program from \$5 million to \$2.2 million in 2001. What were you doing last year that you are not doing this year?

Mr Glyde—Essentially the work that was required in the previous year in relation to the production of handbooks and guidelines as to how individual factories and facilities can complete the inventory is now completed. There was a lot of cost in putting in place those handbooks, and that task is now complete. So we do not need to do that.

Senator BOLKUS—Was that all contracted out?

Mr Glyde—I believe so, to different contractors.

Senator BOLKUS—Do you know the value of all that work?

Mr Glyde—You are really after the cost of the production of all of the handbooks over the last few years?

Senator BOLKUS—No. The cost of them over the last few years for each year.

Mr Glyde—I do not have that figure to hand but I can provide that to you.

Senator BOLKUS—Has there been any change in the level of staff over the last three or four years?

Mr Burnett—There has been a small reduction. The current level is five, I think. At its peak it might have been six or seven, but only very small changes.

Senator BOLKUS—Seven to five—that is almost 30 per cent.

Mr Glyde—Again, it reflects the fact that we are moving into a phase of maintenance of the national pollutant inventory rather than its construction. So it is quite appropriate.

Senator BOLKUS—Just give us the precise figures over the last five years in respect of staffing levels. You say we are now going to the monitoring phase. There is still further work required before the full 90 substances are reported, aren't there?

Mr Glyde—I am sorry?

Senator BOLKUS—There is still a fair degree of work to be undergone to take the current 36 substances to the recently promised 90?

Mr Burnett—That is not correct. The handbooks have all been prepared on the basis that they cover the full 90 substances. So the arrangements are in place for when the NPI expands to the 90 substances.

Senator BOLKUS—So when do we anticipate that expansion taking place?

Mr Burnett—It is due on 1 July this year. So it is the year commencing 1 July 2001.

Senator BOLKUS—Are all these calculation methodologies nationally consistent? I mean here particularly in the area of estimating diffuse emissions?

Mr Burnett—Yes, I believe so. There are sometimes different methodologies used in different countries. Sometimes in preparing the handbooks we have compared methodologies used overseas and have not necessarily adopted them because of differences in Australia, but I believe there is a consistency within the handbooks within Australia.

Senator BOLKUS—And across the states?

Mr Burnett—Yes.

Senator BOLKUS—So there is no further work that needs to be done in terms of making those methodologies consistent?

Mr Burnett—There are always issues. The handbooks need to be kept under review. They need to be updated from time to time in the light of new knowledge. Perhaps issues have been merged operationally. But in broad terms, they are in place and complete.

Mr Glyde—The main issue for us in relation to the aggregated emission work is to expand it out to other airsheds and water catchments—it is not inconsistency between the various catchments.

Senator BOLKUS—In relation to the review that has been conducted—completed last November—has that document been released?

Mr Burnett—No, it has not. It has been presented to ministers sitting as the National Environment Protection Council. That occurred in December.

Senator BOLKUS—So when do we anticipate the document being released, Minister?

Senator Hill—Which one?

Mr Glyde—The overview on the NPI. The review has been referred by the NEPC ministers to a committee of officials to investigate the whys and wherefores and whether or not we should be accepting or rejecting the Rae report or various elements of the Rae report. That report, I think, is due back with ministers—

Mr Burnett—On 29 June.

Senator BOLKUS—Is there any problem in terms of making it more publicly available, Minister?

Mr Glyde—The decision to refer the report off to a committee was a decision taken by all of the environment ministers across Australia. So the intention is not to make it available until they have had the benefit of the advice from the jurisdictions.

Senator BOLKUS—Was that the decision?

Mr Glyde—Yes.

Senator BOLKUS—Or was there just the decision to refer it to an ongoing process? There was no decision not to make it public, was there?

Mr Glyde—I do not recall the specifics of the decision. I would have to go back and check that. The consequence is—

Senator Hill—The referral has certainly been made public. The only issue is whether we should give the jurisdictions the opportunity to respond first. We have referred it back to—

Senator BOLKUS—It would probably help in their deliberations if they had some public scrutiny of the document as well, I would imagine.

Senator Hill—I beg your pardon?

Senator BOLKUS—They would probably be helped in their deliberations if they had some public scrutiny of the document.

Senator Hill—I have said that it will be made public.

Mr Glyde—The concept is that it is going to be made public and then, after that, having had a period of receiving public comment in relation to the review and the views of the jurisdiction—

Senator BOLKUS—So why not make it public now?

Mr Glyde—We do that. We make it public in June—

Senator Hill—It is cooperative federalism.

Mr Glyde—The decision to act on the Rae report will not be taken in June; that will be taken after the report has been released.

Senator BOLKUS—I would rather have the minister answer this question. You have already, I think, given us the wrong description of the decision taken at the ministerial meeting. I would like to ask the minister: what is the downside in making the report public now?

Senator Hill—I personally do not think there is any downside—

Senator BOLKUS—Let's go for it.

Senator Hill—other than that it might upset some of my state ministerial colleagues who have not had time to consider it.

Senator BOLKUS—They are probably all my colleagues. So you can blame me if you like.

Senator Hill—They nearly are all your colleagues. Anyway, I would like to see it released as soon as possible so I will work to that objective.

Senator BOLKUS—Who conducted the review?

Senator Hill—Professor Rae.

Mr Glyde—Ian Rae.

Senator BOLKUS—When was it completed? Last November, wasn't it?

Mr Burnett—That is correct.

Senator BOLKUS—Have you got a costing of it?

Mr Burnett—We do not have it with us.

Senator BOLKUS—Take it on notice?

Mr Burnett—We will have to take it on notice.

Senator BOLKUS—WA has already failed to comply with reporting requirements, I gather.

Mr Burnett—The situation with Western Australia is that they are late in providing their reporting data, and we currently expect to receive that data in April. It is being prepared, and we do expect to receive it.

Senator BOLKUS—*Kookaburra* on 3 February had Environment Australia bureaucrats admitting that it was difficult to access information about the NPI on the Internet because it was so deeply buried. What has been done to try to rectify that?

Mr Beale—I do not think that it was Environment Australia bureaucrats who admitted that. It might have been someone from the minister's office.

Senator BOLKUS—You may be able to locate the person.

Mr Beale—In fact I immediately looked myself to see if I could find it. One click on databases leads you to a menu—and I would have always thought that the National Pollutant Inventory was a database—in which the NPI is immediately obvious. One click on that and you are in the NPI site.

Senator Hill—We say it is hard to find. We are not as good, apparently, as Mr Beale in computer skills.

Mr Beale—I think this may well be true in the case of the individual who answered the call.

Senator Hill—I think it is so in a number of different fields.

Senator BOLKUS—The international POPs treaty was recently negotiated and signed. Are we prepared to ratify the treaty?

Senator Hill—Sorry, that is the what?

Senator BOLKUS—The POPs treaty, Minister. I do not know what you are reading there, but if you would like to concentrate just for 60 seconds, we would be right.

Senator Hill—I am reading about the greenhouse trigger.

Senator BOLKUS—That is another one of those 'Bang, bang, you're dead', is it?

Senator Hill—Sorry, POPs ratification. The government will go through a process now. We have to sign it first. We have not signed it, have we? We have to go through a preliminary process in order to sign it, and then, as you know, we have a much more complex process now, a parliamentary process, that has to be gone through before we can proceed to the issue of ratification, and we will do that.

Senator BOLKUS—So you will be waiting for Mr Thompson to tell you what to do.

Senator Hill—Mr Thompson chairs the Treaties Committee of the parliament, yes, and takes a close interest in these matters.

Senator BOLKUS—You will be giving due weight to his advice, will you?

Senator Hill—Of course the government respects the advice given by the parliamentary committee.

Senator BOLKUS—And Mr Thompson?

Senator Hill—But we are very pleased that the POPs negotiations have been positively completed. It is quite an achievement in terms of global environmental processes, and we would like to see Australia move to the ratification procedures as quickly as possible.

Senator BOLKUS—Thank you. I think I have indicated already that I think from now on on the agenda, we do not need Parks Australia, but there will be questions with respect to the NHT, salinity action plan, Cape York, land clearing and greenhouse. So I imagine that everyone other than Parks Australia who was intending to be here should be.

CHAIR—Is that understood? We will resume at a quarter to two.

Proceedings suspended from 12.47 p.m. to 1.51 p.m.

Senator BOLKUS—Can I ask some questions about the EA's request for tenders on the development of an environmental rating scheme for commercial buildings. Have tenders actually been sought for the development of such a scheme?

Mr Beale—Was this in relation to greenhouse or environmental performance more generally?

Senator BOLKUS—We are talking about the rating scheme for commercial buildings.

Mr Beale—Essentially that has a greenhouse aspect to it. I think we might be talking about an Australian Greenhouse Office matter.

Senator BOLKUS—I think we are talking about an EA initiative, but I am not so sure to what extent the AGO is involved in it. Would you like me to defer this for half an hour and come back to it?

Senator Hill—Yes.

Mr Beale—Yes.

Senator BOLKUS—Can we go to the National Heritage Division. During the last estimates we asked if the department conducted any assessment of the cost of arresting environmental degradation in the country and I think the answer we got was no. Is that still the case?

Mr Kitchell—The cost of degradation of the environment?

Senator BOLKUS—Nationally. We asked you during the last estimates if the department had conducted any assessment of the cost of arresting environmental degradation, and the answer was no.

Mr Kitchell—That question is enormously broad, Senator. There have been various assessments made over many years of different elements of environmental degradation. For instance, there have been assessments made of the impact of salinity on both our—

Senator Hill—What was the question?

Mr Kitchell—natural infrastructure and our—have we done any studies on the cost of environmental degradation.

Senator BOLKUS—That would include salinity, I would imagine. Why did you give us a no answer when the answer obviously is that aspects of it have been assessed?

Senator Hill—It is such an imprecise question.

Senator BOLKUS—Well, Minister, if it is imprecise there, it is a language that you use. We picked up your language.

Senator Hill—What aspect of environmental degradation do you want to know about?

Senator BOLKUS—Let us try now to focus on that. When you say studies have been done and costs have been assessed, is there any one sort of benchmark or one study that drives the department in developing policy?

Mr Kitchell—Not in terms of costing of environmental degradation. There is no one piece of work.

Senator BOLKUS—I should not say just one; it could be a number. What about in terms of salinity?

Mr Kitchell—Various estimates have been made about the impact of salinity, as I was saying before, on both our natural capital—on the impact on biodiversity, the impact on landscape values in rural Australia—and there are also estimates on the cost to rural infrastructure—roads, bridges, weirs and so forth. The numbers are very significant. I do not have them with me at the moment, but the cost of reparation and the cost that the community is currently suffering from salinity alone is very large.

Senator BOLKUS—Do you have a recollection of ballpark numbers at all?

Mr Kitchell—I would hesitate to give you that.

Senator BOLKUS—Take it on notice in terms of salinity.

Mr Kitchell—Yes.

Senator BOLKUS—What other aspects of degradation would you have had assessments done on?

Mr Kitchell—I am sure that over a period of time there would have been estimates made or assessments done on a whole range of environmentally degrading activities. I can personally remember right back to the days in the seventies of estimating the impact of soil erosion on the Australian landscape.

Senator Hill—There have been estimates done on weeds and feral animals and marine things.

Senator BOLKUS—What about soil erosion, then? Is there a recent study that guides your policy?

Mr Kitchell—Soil erosion is largely outside this portfolio. It is within AFFA.

Senator BOLKUS—Largely outside, but obviously of concern to the minister. Okay, could you come back to us for the salinity question.

Mr Kitchell—Yes.

Senator BOLKUS—Minister, we are talking about some pretty well-entrenched problems here. Is the government considering the concept of a levy to cover the cost of land and water repair?

Senator Hill—No.

Senator BOLKUS—Not on the agenda?

Senator Hill—No.

Senator BOLKUS—Thank you. Could I turn to the NHT budget. Spending there was supposed to be at an equal level over the last five or six years. Can you tell us how much of the overall NHT budget still remains to be spent out of that \$1.5 billion?

Mr Kitchell—The estimated expenditure for this financial year that we are currently in, Senator, is \$485 million, and the estimate for next year is \$314 million, so that is almost exactly \$800 million left.

Senator BOLKUS—So at the end of the next financial year, 2001-2002, it will be—

Mr Kitchell—That whole \$1.5 billion will be fully expended.

Senator Hill—It may not have been paid.

Mr Kitchell—Yes. There will inevitably be some overrun through, for whatever reason, certain projects not having been completed on the dot at the end of the financial year, and we

have made some provision for that sort of overrun, but there will have been commitments made for the whole of the \$1.5 billion by the end of the next financial year.

Senator BOLKUS—Of the \$485 million to be spent or allocated this financial year, how much of that has been so allocated and spent—two different figures?

Mr Kitchell—Very little of it would have currently been spent. A significant proportion of it would have already been allocated, most of—

Senator BOLKUS—What do you mean by that? What is ‘a significant proportion’, if you have the figures?

Mr Kitchell—Most of the funds from the Natural Heritage Trust each year are allocated through what is called the one-stop shop process which has the majority but not all of the trust programs within it. Allocations for this year already have been made for \$181 million.

Senator BOLKUS—So there is still another \$300 million to be spent, to be allocated for this financial year?

Mr Kitchell—No, that is not right. Part of the \$485 million that is due for this year is a carryover from the previous year, so it was allocated in the previous year’s one-stop shop process. There will be, however, some additional funds allocated this year from programs which are not part of the one-stop shop. For instance, Coast and Clean Seas will be making its recommendations to the minister in about May, the World Heritage Program—which is not part of the one-stop shop—is yet to be allocated, and there will be one or two programs within the AFFA portfolio that, likewise, are not part of the one-stop shop.

Senator Hill—Most of the world heritage has been done.

Senator BOLKUS—Let us take one step back. What was the first year of expenditure under the program?

Mr Kitchell—For the Natural Heritage Trust?

Senator BOLKUS—Yes. What do you think we are talking about?

Mr Kitchell—In 1996-97—

Senator BOLKUS—No, the first year of expenditure. Was that 1996-97?

Mr Kitchell—That was the first year. It was \$36 million.

Senator BOLKUS—Right. For 1997-98?

Mr Kitchell—For 1997-98, it was \$131 million. For 1998-99, it was \$232 million and for 1999-2000 it was \$299 million.

Senator BOLKUS—And this financial year?

Mr Kitchell—Four hundred and eighty-five million dollars.

Senator BOLKUS—Do those previous figures represent the money actually spent or allocated?

Mr Kitchell—Actually spent.

Senator BOLKUS—And this year, of \$485 million, you are telling me that \$181 million has already been allocated or spent?

Mr Kitchell—Allocated from the one-stop shop process this year. There was an amount that was allocated last year but was not spent last year and which has carried over into this year. My memory is that that was in the order of \$100 million worth.

Senator BOLKUS—Is that then on top of the \$485 million?

Mr Kitchell—No, that is included within the \$485 million.

Senator BOLKUS—You have \$485 million to spend this year?

Mr Kitchell—That is so.

Senator BOLKUS—And the figures you gave me for previous years was money actually spent?

Mr Kitchell—That is so.

Senator BOLKUS—Four hundred and eighty-five million dollars to spend this year and, going back again, \$181 million has actually been allocated?

Mr Kitchell—One hundred and eighty-one million dollars has been allocated from the one-stop shop process and there is in the order of \$100 million—and my memory is not exact on this—which has carried over from the last financial year. In other words, it has already been allocated, it just was not spent last year, and it will carry over to this year.

Senator BOLKUS—Is that part of the \$181 million?

Mr Kitchell—No. It is in addition to the \$181 million but it is a part of the \$485 million.

Senator BOLKUS—Basically, then, you have \$200 million still to allocate this financial year.

Mr Kitchell—If that is the arithmetic.

Senator BOLKUS—Two hundred and four million dollars, in fact.

Senator Hill—I would be surprised if it is that high. Can we say yes, subject to checking, please.

Senator BOLKUS—Yes. When do we expect that money to be allocated, whether it is \$204 million or \$201 million or \$190 million, or whatever? It seems to be \$204 million, from the figures Mr Kitchell has given us. When do we expect that money to be allocated?

Senator Hill—It is on a continuing basis, as Mr Kitchell said. Some programs come through for approval later in the year, some earlier in the year.

Senator BOLKUS—Minister, you have \$204 million—

Senator Hill—That is why I thought we ought to check that. It seems a bit high to me, by this time of the year.

Senator BOLKUS—It might be high, but they are the best figures that are available to you and me.

Senator Hill—Yes, but I said we will check them. Because it is on a rolling basis, programs are going back for reassessment all the time, and states are providing new information and so forth.

Senator BOLKUS—In terms of the moneys allocated so far, can you give us a breakdown, a full list, of the funds and give us a table electorate by electorate?

Mr Kitchell—A breakdown of the funds for the entire length of the trust so far?

Senator BOLKUS—I am talking about this financial year.

Mr Kitchell—For this financial year?

Senator BOLKUS—Yes, plus the \$100 million that was rolled over from the previous year.

Mr Kitchell—We can provide a breakdown by program—in other words, how much is funded out of the Bushcare Program, how much is funded out of Landcare—and we can do that by program and by state.

Senator BOLKUS—I would like it by electorate as well. Every recipient would have had an address.

Mr Kitchell—Yes, that is so.

Senator BOLKUS—That is for the \$181 million plus the \$100 million from last year.

Mr Kitchell—Yes.

Senator BOLKUS—Minister, you have \$204 million left in the kitty, plus another \$314 million. You have \$518 million to spend between now and the next election.

Senator Hill—I have just made the point—you probably were not listening—that I think the figure is too high. I think it is this definitional question between approvals and outlays. By this time in the year I would have expected more to have been approved. I could ask Mr Kitchell for his definition of ‘outlays’, but I do not know that it helps us much. I could find for you, Senator Bolkus, how much has been approved by this stage. We would have expected there to be more than that approved by now. We would not expect to have that much left for this year.

Senator BOLKUS—The officer is telling us that you have not allocated more than that.

Senator Hill—Yes, and I said that I want to have that checked.

Mr Kitchell—The figures that I gave you, Senator, were for the one-stop shop programs alone. I do not have the figures for the non-one-stop shop programs. As Senator Hill is indicating, there inevitably would be additional moneys that have been allocated from those non-one-stop shop programs.

Senator BOLKUS—What are those non-one-stop shop programs?

Mr Kitchell—They include things like the World Heritage program and air quality in urban areas.

Senator BOLKUS—Do you have them there?

Mr Kitchell—I do not have the numbers here. No, I do not, sorry.

Senator BOLKUS—Do you have a rough guesstimate as to what they amount to?

Mr Kitchell—I would prefer not to guess.

Senator BOLKUS—Is it \$20 million dollars, \$30 million?

Mr Kitchell—I would prefer not to guess.

Senator Hill—What you want to know is how much of the trust money remains after all projects approved to date. Is that the question? I think it is substantially different from these figures on outlays that you have been given.

Senator BOLKUS—Why would it be substantially different?

Senator Hill—Because I know when the one-stop shop approvals go through.

Mr Beale—Senator, it is because the incurring of the expenditure tends to lag the approval, so it is important that we define what it is that we are talking about: whether it is the approval

and the amount of funds that are therefore left to be committed, whether it is an expenditure that has been incurred—

Senator BOLKUS—Which is why, Mr Beale, I have used the term ‘allocated’ rather than ‘approved’. My understanding is that the figures I have are the figures that have not been allocated.

Senator Hill—No, the figures you have are on the basis of outlays. The one-stop shop approval process for this year is largely completed.

Senator BOLKUS—That is \$181 million. How much money do you have for the one-stop shop process for next financial year?

Mr Kitchell—I do not have that figure with me, Senator.

Senator BOLKUS—Does anyone else have it?

Mr Kitchell—Not in this room.

Senator BOLKUS—Why not?

Senator Hill—Because we have to go back and break it down to an individual program basis.

Senator BOLKUS—No, we are looking for next year, Minister.

Senator Hill—Yes, I know. I can tell you that next year we have budgeted for \$314 million all up, which was to complete the funding that we had available under the trust, and the majority of that \$314 million goes through the one-stop shop process. We could go back and get the estimates on each of those programs and give you an estimate of how much we expect to go through the one-stop shop if you would like. If you take the Bushcare Program, which is one of the largest subsets, the majority of it goes through the one-stop shop process, but there are some national projects and probably some other projects that do not.

Senator BOLKUS—Could you come back to us, then, with figures as to what has been allocated so far—as I say, that which is different from what expenditure has been approved—and what is left to be allocated this financial year.

Senator Hill—Yes, and we will give you definitions of the terms.

Senator BOLKUS—And next financial year as well. One way or another, we are looking at \$500 million or so that will be allocated between now and the election.

Senator Hill—No, you are not. Between now and the end of the trust you have a full year, a year that has not yet started, and you have \$314 million there. That is not in dispute. Of the money up to that figure the issue is how much still remains to be allocated for this year. That is the one that we will go away and work out for you.

Senator BOLKUS—Yes, but even if I am generous and concede that half of that has been allocated in a non-one-stop shop process, we are still talking \$400 million, plus.

Senator Hill—The \$314 million for the year 2001 and 2002 is correct.

Senator BOLKUS—When do you expect to make announcements in respect of that \$314 million. Is there any forward planning at this stage, Mr Beale?

Senator Hill—Yes. We have a time frame on most of it, because of the process of approvals through the regional state and then our approval processes.

Mr Kitchell—The normal time for approvals and the subsequent announcements is the end of the calendar year or the start of the next calendar year.

Senator Hill—It will be in the next calendar year. It was never as good as the prior calendar year. Last year, from memory, most of our approvals were about September-October, round about that. They come in to us in about July. They get assessed by the department. They then come to the two ministers, according to whoever is responsible for each program.

Mr Beale—I recollect in 98—it was around September or October.

Senator BOLKUS—You are having a nice chat over there, but I would like to get some of this on the record.

Senator Hill—It is all on record.

Senator BOLKUS—I could not hear you. What did you say about last year? It was announced in October?

Senator Hill—No—about. We get the advice from the states in about July, from memory. By the time a Commonwealth assessment is done by the two departments and advice goes to ministers, it is August. September-ish most of the approvals decisions are made. The states are then advised. The states have to then enter into a contract with us. They then advise individual proponents. They then have to negotiate contracts with the individual proponents, and so it is normally into the next calendar year before the proponents get their funding. I think if we go back over the years, most of our approvals have been around about September. Is that right?

Senator BOLKUS—Is that so, Mr Kitchell?

Mr Kitchell—That is so. August-September is about right. It varies from program to program, because as I said before some of the programs are advertised at different times. But for the majority of the one-stop shop programs, August-September is about the right time for ministerial approval and about the end of the calendar year when the money actually hits the deck.

Senator BOLKUS—Can you take on notice to give us a timetable of what happened last year for the approval process?

Mr Kitchell—Yes, I can.

Senator Hill—Do you want it for every program?

Senator BOLKUS—Yes.

Senator Hill—Our half of the NHT, or do you want us to go and chase AFFA as well?

Senator BOLKUS—I would like the lot, yes.

Senator Hill—We will see what we can do.

Senator BOLKUS—I have not asked for too much today.

Senator Hill—You certainly can have it from us. I can give you all the dates on Bushcare now, if you want them.

Senator BOLKUS—Take it on notice and give us the whole lot.

Senator Hill—Okay.

Senator BOLKUS—What is the level of interest accruing from the \$300 million in funds set aside?

Senator Hill—That is a sum that incorporates a deemed rate. The annual sum is the sum that is calculated on the basis of a capital and some deemed rate of interest. If you want to know exactly how Finance work all that out, we could get you that information.

Senator BOLKUS—I would like to know how they work it out and, secondly, what the amount is.

Senator Hill—It is not an amount on top of that. It is incorporated within the figures that I mentioned.

Senator BOLKUS—Sorry, incorporated in which figures you mentioned?

Senator Hill—The \$314 million for next year.

Senator BOLKUS—So after you spend the \$314 million in next year's round, are you telling me there will be nothing left in the trust?

Senator Hill—There is nothing that we can spend. There is another sum that remains in—

Senator BOLKUS—Perpetuity.

Senator Hill—perpetuity.

Senator BOLKUS—Which is \$300 million. It is the interest on that figure that I am trying to get a grip on.

Senator Hill—I am not sure how that is worked out, but we can get you Finance advice on that, if you want it.

Senator BOLKUS—Do you have any general idea of what that amounts to per annum?

Senator Hill—No.

Mr Beale—About five per cent of \$300 million would normally generate around \$15 million per annum.

Senator BOLKUS—It is normally five per cent of \$300 million. Has a decision been taken as to where that money will go?

Senator Hill—The interest, do you mean?

Senator BOLKUS—Yes.

Mr Beale—Not the capital, the interest.

Senator Hill—No, I have not addressed that at all. I do not even know under the legislation when one gets access to that.

Senator BOLKUS—Turning now to the NHT mid-term reviews, evidence was given last time that a response was prepared by the department to each recommendation made in those reviews. Can we get a copy of those responses? Last time you gave us a copy of the minister's speech. I know how much faith you have in the minister, but that was not adequate.

Senator Hill—The ministerial board settled an overall response. I would have thought that is on the public record, but I can find one for Senator Bolkus.

Mr Kitchell—I do not think it is on the public record.

Senator Hill—I cannot see why it should not be.

Senator BOLKUS—One of you think it is on the record and one does not. What is the story?

Mr Beale—I could well be wrong, Senator. We will check. The cost of distributing it would have been enormous because it was quite a large document.

Senator BOLKUS—Why didn't you put it on the web? What would it cost you to put it on the web?

Mr Beale—That is what I am saying. I am not sure whether we did or not.

Senator BOLKUS—You are telling me the cost of distributing it would be enormous, but what would it cost you to put it on the web?

Senator Hill—Very little.

Senator BOLKUS—The cost would not be enormous, would it, to put it on the web.

Mr Beale—I am not sure whether, in fact, we did put it on the web. I will need to check.

Senator BOLKUS—Do you have any problem with putting it on the web?

Mr Beale—We will go back and look at the board's decisions and consult the minister.

Senator Hill—I thought we did. I thought it was made public.

Senator BOLKUS—Are we talking about the department's response to this?

Senator Hill—No, we are talking about the board's response.

Senator BOLKUS—I am talking about the department's response to this.

Senator Hill—The departments gave various advices to the board. The departments' advices to the ministerial board would not be on the public record.

Senator BOLKUS—I will go back to question No.1: can I get a copy of those responses?

Senator Hill—No.

Senator BOLKUS—There was \$2.18 million on the review process. Has that come out of the trust itself?

Senator Hill—Yes.

Senator BOLKUS—Part of the administration component?

Senator Hill—Yes.

Senator BOLKUS—Now, something like one in five of the recommendations require, from my understanding, fundamental changes to the trust. I gather the response of the board is that there is not enough time to implement them before the trust ceases. Is that so?

Senator Hill—Firstly, you are wrong in saying that one in five suggested fundamental change. In fact, out of all the hundreds of recommendations I cannot remember any that suggested fundamental change. But the board settled a response which dealt with the major issues, and that is the one that I thought was on the public record but, if it is not, I cannot see why you cannot have it. In that response, the board indicated that some matters could be immediately implemented and in some other cases it was not viable or worth while to do it with the relatively short period that remained, at least in tranche 1 of the Natural Heritage Trust. So this is tranche 2, I suppose.

Senator BOLKUS—You see, Minister, we are going on the figures you gave us last time. The figures you gave us last time indicated that one in five—20 per cent—of the recommendations required fundamental change and there was no time to do that before the trust ceased.

Senator Hill—Did I say one in five required fundamental change?

Senator BOLKUS—I will double-check as well—

Senator Hill—I do not think so.

Senator BOLKUS—They were the figures we got from the information you gave us last time.

Senator Hill—I think you are reading a lot into what I said, Senator.

Senator BOLKUS—We might come back to that in a little while. Has the government done an assessment of—

Senator Hill—I will give you one that I can recollect. There was one with at least a recommendation to consider whether it would be better to administer the trust through one administrative body rather than through two separate departments. On that issue, for example, we said that, even if we believed that there were advantages in that, the amount of restructuring that would be necessary to achieve that outcome would not be justified by the time that was available. Another important point is that, whether or not they were adopted in changes to the administration of the Natural Heritage Trust, a number of the recommendations have been incorporated within the design of the national action plan on salinity and water quality.

Senator BOLKUS—When do we get to see the Natural Resource Management Strategy?

Mr Beale—Senator, could I just ask for the question again? Was it what was happening in relation to the publication by the Department of Agriculture, Fisheries and Forestry of a draft NRM paper? Was that the question?

Senator BOLKUS—No, you know that was not the question. The question was—

Senator Hill—About the Natural Resources Management Strategy. Basically, the strategy that has evolved out of that process is the national action plan for salinity and water quality, which, starting from next year, is going to incorporate other natural values such as biodiversity.

Senator BOLKUS—Minister, there was a discussion paper entitled ‘Managing natural resources in rural Australia’. The working group considering it was to report to cabinet by May last year.

Senator Hill—That is right.

Senator BOLKUS—It did not meet the deadline, and there is an expectation that there will be a Natural Resources Management Strategy, not just a salinity action plan.

Senator Hill—Again, you obviously did not listen to me. The paper that was put out by AFFA was incorporated within a process that ultimately has led to the national action plan for salinity and water quality, and the national action plan has within its design the intention to incorporate other areas of natural resource values.

Senator BOLKUS—So there will not be a further strategy document other than what is produced consequent to the salinity action plan? Is that right?

Senator Hill—There will always be a further strategy document, but the one that I think you are talking about has been incorporated within this plan.

Senator BOLKUS—That is right. There is a steering committee report to Australian governments on the public response to the ‘Managing natural resources in rural Australia’ discussion paper. Will the government be responding to that?

Senator Hill—Which one, sorry?

Senator BOLKUS—This is the steering committee report to Australian governments, and generally it is on the public response to the ‘Managing natural resources in rural Australia’ discussion paper.

Senator Hill—No, the public responses to the discussion papers—there was an AFFA one and I think there was one put out by the NFF as well, from memory—were incorporated within the process that has led to this national action plan. If you say, ‘What is the strategy?’ the strategy is the plan that I have been referring to, plus the stated intention of the Prime Minister to continue with a new phase of the Natural Heritage Trust.

Senator BOLKUS—Can you tell us how much the steering committee process and consultation cost?

Senator Hill—I cannot, because the part of it to which I think you are referring was run through AFFA.

Senator BOLKUS—Can I get an idea of what it has cost your department for the steering committee process, initial discussion paper, consultation process and so on? Your department must have been involved.

Senator Hill—I do not think we can do that very easily, because ours was principally intellectual input, wasn’t it, Mr Beale?

Mr Beale—That is right. That would be rather difficult—

Senator Hill—Wise advice.

Mr Beale—to disentangle.

Senator BOLKUS—So basically what you are saying is there is no value to that intellectual input?

Senator Hill—It is very hard to attach a financial sum to it.

Senator BOLKUS—Twenty-five per cent of the NHT review recommendation we were told last time relate to future delivery of natural resource management. Can you give us a list of those? There seem to be a number of nods there, but Hansard does not pick them up, Mr Beale.

Senator Hill—If you want us to relist all of the recommendations under the numerous reports which made up the mid-term evaluation then we will do so, but they are on the public record and have been for a year.

Senator BOLKUS—Yes, but the answer refers to the judgment of your department that 25 per cent of the recommendations relate to the category that I am asking you about, so I would like to see that judgment. And if that judgment has already been made, I do not imagine it would entail a lot more work for people to actually provide that documentation.

Senator Hill—If you want the list and you want some official to underline those that that official believes specifically relate to that objective, we can do that for you. It strikes me as a rather pointless exercise. I should say to you, Senator, if you would like to know, just to complete the picture, the board adopted a number of recommendations largely from the overview papers. In relation to the recommendations as they relate to specific programs, it

was left to the specific program to determine which of those recommendations would be adopted. Basically, those advices have been used to refine the delivery of those programs for the last two years of this phase of the National Heritage Trust.

Senator BOLKUS—Minister, you were a bit bemused earlier about the 20 per cent figure. You said the department did not provide such a figure.

Senator Hill—No, you said I did. I said I did not think I did.

Senator BOLKUS—I think you said, ‘We didn’t.’ But one way or the other you are there as one corporate body at the moment, I would have thought. The question was: how many recommendations required fundamental changes to the program, and the answer was:

Approximately 20 per cent of recommendations, if accepted, could be said to require fundamental changes to the program.

Senator Hill—Who said that?

Senator BOLKUS—This is the answer from your department.

Senator Hill—Who was it, though? We will get that person to explain.

Senator BOLKUS—The answer is from you. You have ticked it off. It does not say Mr Beale or Mr Kitchell. It says ‘answer from the minister’.

Senator Hill—I do not think that is right.

Senator BOLKUS—So, in that sense, it is from you and, given the fact that you have approved all these answers, I would have presumed that you had read them. Did you not read them?

Senator Hill—Are these questions on notice?

Senator BOLKUS—This is a question outstanding at the last estimates hearing. It is one of the questions to which we did get an answer. The question was from Senator Bishop. He read out the question and the answer was, if I can complete it:

Approximately 20 per cent of recommendations, if accepted, could be said to require fundamental changes to the program. The board judged that it was not appropriate to accept most of these at this given time, given the better than satisfactory performance of the trust and the short time remaining. However, these recommendations are being considered as part of a natural resource management policy initiative.

That 20 per cent figure was indeed provided by you. Thank you very much for the first answer, but not the second.

Senator Hill—Then I will have to give you a list with ‘20 per cent’ underlined.

Senator BOLKUS—I have not asked for any list of ‘20 per cent’ but I think we have covered that point. On the salinity action plan, is it the government’s intention to in any way restructure or disband the Murray Darling Basin Commission?

Senator Hill—No.

Senator BOLKUS—There is no plan at all to change it or its powers or functions?

Senator Hill—No, there is no plan as such. The national action plan includes a provision for advice from an independent body. I know there has been some debate as to whether that should be the Murray Darling Basin Commission. If so, that would require some restructuring of that commission. But I do not think it has progressed beyond that, has it, Mr Hunter?

Mr Hunter—Minister, the national action plan also included in it a reference to an examination of the workings of the commission, but it was in the context that you have just mentioned.

Senator BOLKUS—You would have seen Mr Scanlon's comments about his concern that the National Action Plan for Salinity and Water Quality failed to embrace the commission and its initiatives. What is your response to that?

Senator Hill—If it is what I read in the newspaper a couple of days ago, I interpreted him as saying we had to make sure that the role of this new body was properly meshed into the role of the Murray-Darling Basin Commission so that we do not find inconsistencies or duplications and the like. That was my interpretation of what he was saying, and I think it is a sound observation. The working relationships are still to evolve, but we obviously want to ensure that we are adding value, that we are not redoing what has already been done.

Senator BOLKUS—Have you settled on what structure the new ministerial council is going to have?

Senator Hill—The framework agreement, the intergovernmental agreement, just says there will be a ministerial council with representatives from each jurisdiction. The IGA does not provide detail beyond that, from memory.

Senator BOLKUS—That is why I am asking for detail. Have you progressed it at all?

Senator Hill—No.

Senator BOLKUS—So when do we get that?

Senator Hill—Not all states have yet signed the agreement.

Senator BOLKUS—Have you put to the states a ministerial council structure?

Senator Hill—The Prime Minister might have written to the states with the agreement. I cannot recall exactly what the PM wrote to state premiers.

Senator BOLKUS—Going back to question 1, is there a structure that has been proposed for the ministerial council? Mr Kitchell, I think the minister has referred it to you.

Mr Kitchell—I think the minister indicated the PM has written to his counterparts in the states and territories and he has sought their views on a suggestion that there be one member per jurisdiction, which would then comprise the Natural Resource Management Council. Beyond that, I am not aware of any other suggestions.

Senator BOLKUS—Is that every state and territory?

Mr Kitchell—That is so.

Senator BOLKUS—Any proposed chair arrangement?

Mr Kitchell—There was nothing in the Prime Minister's letter which indicated that, I do not believe, other than the Commonwealth—

Senator Hill—I think he said it should be chaired by the Commonwealth.

Mr Kitchell—would chair, but did not indicate which minister.

Senator BOLKUS—Any proposed funding arrangement?

Mr Kitchell—Not in the Prime Minister's letter.

Senator BOLKUS—With reference to the \$700 million over seven years committed by the government for the salinity action plan, when does the funding start to roll? Does it start this year?

Mr Kitchell—It starts this year.

Senator Hill—Some money is already being spent on airborne surveys.

Senator BOLKUS—Has a decision been made as to how that money will be spent over seven years? Is it \$100 million per annum or \$400 million before an election and very little afterwards?

Mr Hunter—That is a matter for the budget process, Senator.

Senator BOLKUS—How much money has been spent so far?

Mr Hunter—I could not say how much has been spent, but my understanding is that the additional estimates for the AFFA portfolio include \$5 million for the salinity mapping, which the minister just mentioned, this year.

Senator BOLKUS—So \$5 million, and nothing has been spent—

Senator Hill—That is the only money I know of having been spent, as such, apart from obviously the departmental costs of working up the plan and negotiation.

Mr Beale—The aim was to get the intergovernmental agreements in place and the program developed to enable expenditure to commence in the 2001-02 financial year. We aim to get the infrastructure in place, as it were, by 1 July.

Senator Hill—But there has already been a small amount of money spent and that will continue to be spent in the meantime.

Senator BOLKUS—Is it intended that the rest of the money will be spent by the ministerial council or will it be spent by the Commonwealth government?

Senator Hill—The Commonwealth's money is being matched by the states. It will obviously have to be appropriated by the individual jurisdictions. I anticipate that it will be largely spent under the guidance of the ministerial council. Has thinking got that far, Mr Hunter?

Mr Hunter—Not in terms of its day to day relationship to the administration of the action plan. Certainly there would be a series of bilateral agreements between the Commonwealth and the states once individual states sign the national intergovernmental agreement. That will contain some information and agreements as to funding commitments and expenditure. But some of those details in relation to the precise role of the ministerial council are yet to be worked through.

Senator BOLKUS—You have not gone to the states and said, 'Look, we've got \$700 million. We think this money should be best spent on a plan adopted by and allocated by the ministerial council'? The states have still got the capacity to spend the money where they like, as you do?

Senator Hill—Technically you can say yes, but in practice what has happened is that the Commonwealth has agreed to provide a certain capital fund, the states have agreed to provide the same, and they have agreed objectives and a process to achieve those objectives.

Senator BOLKUS—Yes, but basically it will be up to each jurisdiction—each jurisdiction will have the leeway to spend their commitment as they like?

Mr Beale—No, that is subject to the bilateral agreement and then any regional level agreed development plans, which would draw the community in as well. It is a process that will be quite tightly targeted, firstly to the regions that the Prime Minister nominated and then, secondly, in the way spelled out under the bilaterals and then under regional development and financial plans.

Senator BOLKUS—Going to the plan and the strategy itself, to what extent are you going to factor in under the plan Australia's obligations to biodiversity conservation under international agreements?

Senator Hill—It is intended that, from the beginning of the next year, we start working on biodiversity targets to be incorporated as well. We are starting with targets on water quality and salinity and then, as I said some time ago, we will be moving into targets relating to other natural resource values.

Senator BOLKUS—Has the Prime Minister signalled this to the state leaders yet?

Senator Hill—I hope so.

Mr Hunter—It is in the intergovernmental agreement that the biodiversity targets would be part of the overall plan, and of course biodiversity values are threatened in many places by the salinity and water quality issues which are the target of the action plan. Therefore, even from day one, biodiversity values will be addressed by the plan.

Senator Hill—It links in quite well with the new work, the Murray-Darling Basin Commission and biodiversity values as well.

Senator BOLKUS—I turn to Cape York. We asked you question No. 70 in respect of the Cape York Peninsula National Reserve scheme and I do not think you actually were able to provide an adequate answer for that. The question was:

Why has the Commonwealth government failed to support a Peninsula Wide Assessment on Natural Conservation values to identify ecologically important and significant areas for addition to Australian National Reserve System as specified under Strategy 5 of the CY NHT plan?

Would you like to have another go at answering that question, Senator Hill?

Senator Hill—But you got an answer.

Senator BOLKUS—I think we got a non-answer to question No. 70.

Senator Hill—Basically, if you want me to interpret my non-answer, it was because I made the judgment that starting on yet another cape-wide assessment of values was not going to encourage the sort of progress that we were seeking to make in achieving better outcomes on the basis of the vast amount of knowledge that is already available. In other words, we have been through a whole series of processes of evaluation on the cape. We were trying to get the on-ground projects to start catching up with some of those before we started on yet another series of evaluations.

Senator BOLKUS—But the Queensland government is undertaking an assessment. Do you know what stage that is up to?

Senator Hill—No, I have not seen anything from them. I noted that they decided that they would do it themselves, and that is fine, because we seem to be paying for everything else.

Senator BOLKUS—Have you ever thought of ringing the minister and asking what stage it is at? It could be quite important to how you progress your work.

Senator Hill—I will hazard a guess and say I do not think it has progressed far, Senator. If it had progressed far, I would know.

Senator BOLKUS—Will you get your officers to find out and report back to us?

Senator Hill—We can ask the Queensland government, if that is what you would like.

Senator BOLKUS—In October 2000 the Cape York Regional Advisory Group commissioned a consultancy firm to review the Cape York Weeds and Feral Animals project. In November 2000 the Acumen Alliance produced a series of recommendations regarding reform of this NHT project valued at about \$4 million. There were some nine recommendations of that report. Has the government been able to respond to any of those recommendations and, if so, what is the response?

Senator Hill—Mr Chairman, I am sorry. I am having a lot of trouble hearing these questions. Which report?

Senator BOLKUS—We are talking about the Acumen Alliance series of recommendations from November 2000.

Senator Hill—Acumen Alliance?

Senator BOLKUS—Yes. In October 2000 the advisory group commissioned a consultancy firm, Acumen Alliance, to review the Cape York Weeds and Feral Animals project. We are talking about a Natural Heritage project there?

Senator Hill—The Cook Shire Council has been conducting a feral animal program and a weeds program, which we have supported through the Cape York program of the Natural Heritage Trust, and in the normal course of events there was an assessment of the progress of that project, the Cook Shire Council's project. My recollection is that it was a positive and useful assessment. I do not recall anything particularly profound coming out of it.

Senator BOLKUS—There is a report by Acumen Alliance, November 2000. It has a wide number of recommendations. You are obviously not aware of that particular consultancy of that report.

Senator Hill—No, I think I have seen the report and I think I have discussed it with the Cook Shire Council people. Dealing with feral animals and weeds on Cape York is an enormous challenge and, within its resources, I think the Cook Shire Council is doing a pretty good job.

Senator BOLKUS—That is good, but the report raised some serious questions in respect of the effectiveness of the program. Have you had a chance to respond to those recommendations?

Senator Hill—I think the report said the obvious: that Cook Shire Council is dealing with a part of the problem but that it is enormously complex and difficult. The trouble is that there are not other appropriate bodies to really do the work up there. It is all right to produce these theoretical assessments, but what we are trying to achieve is better outcomes on the ground.

Senator BOLKUS—You are going on the basis of top of the head recollection at the moment. Would you like a chance to take the issue away and come back to us with a response as to the recommendations in that report?

Senator Hill—I will ask but I cannot see why you cannot have the report.

Senator BOLKUS—I am not asking for the report; I am asking for you and the system to focus on its recommendations and come back to us with your considered view on the recommendations of the report.

Senator Hill—I will get you something. As I recall it, the parties who basically administer the program for us considered the report. I do not recall any significant change to the program arising therefrom, but I will see if I can get you further information.

Senator BOLKUS—Minister, if I can turn to comments made by your colleague, the ever helpful Minister for Forestry and Conservation, on 21 November. He said he was:

... astounded to be advised by some recipients of National Heritage Trust grants that WA minister Monty House's department had included an addenda to the funding contract requiring personal undertakings that the recipients would refund the money if they undertook additional land clearing.

Were either you or your department aware of Mr Tuckey's comments that he would write to all recipients advising them to ignore such normal contract addenda?

Senator Hill—Obviously, we were all aware that he said that.

Senator BOLKUS—But did he clear it with you beforehand?

Senator Hill—Do you mean: did we know in advance?

Senator BOLKUS—Yes.

Senator Hill—I do not think so.

Senator BOLKUS—Did your department know in advance?

Senator Hill—I do not think so.

Senator BOLKUS—That sort of condition—Mr Tuckey's proposition—would be inconsistent with the recommendations of the NHT review, would it not?

Senator Hill—No. To be fair, the state assessment panel in Western Australia added conditions to the contracts with individual proponents in relation to land clearing that went beyond anything else in any other state. Certainly we are totally opposed to providing money for revegetation and finding that the revegetation gets cleared but these conditions, in effect, bound the proponent not to clear any other land in which that proponent had an interest. That is quite difficult when the proponent is a Landcare group that comprises perhaps many dozens of individual property owners. Mr Tuckey objected to that particular condition. I think the condition went beyond the recommendations of the mid-term review.

Senator BOLKUS—But the condition was in line with the recommendations of the NHT review which stated:

Given its importance, there is scope for the Commonwealth to more explicitly influence policy consistency through tying funding support to policy changes. Is that not a condition that you would welcome?

Senator Hill—I support the spirit of that recommendation, but its implementation is not at all easy. For example, some people argue that we should not give funding to anybody for revegetation in a particular region if any land clearing is going on in that region. In doing that we hope to prevent that last bit of land clearing from occurring. First, it may not and, second, it means that you lose the opportunity for revegetation. Some have argued that we should not provide any money to Queensland because it has 80 per cent of the current land clearing. So we have had difficulty in developing workable tools to implement the spirit of that recommendation but, at the same time, I support the spirit of the recommendation. I guess that

the action taken by the SAP in Western Australia was an attempt to meet the spirit of that recommendation.

Senator BOLKUS—Would you like Western Australians to review and change that condition?

Senator Hill—This coming year we will have a talk with them about the appropriate restraint to put on land clearing and to what extent we should tie the grants to broader commitments in relation to land clearing. But we have not done that yet.

Senator BOLKUS—Are you saying that you would like them to change it? Will you discuss it with them with a view to changing it? Will you now commence a process with Western Australians to bring about a change to that condition?

Senator Hill—I do not know. Our ministerial council has not yet discussed the issue. Obviously, it is something that we want to settle with the Western Australian authorities before next year. Mr Kitchell reminds me that we have attempted to incorporate the spirit of that mid-term recommendation in the structure of the new national action plan by tying the revegetation projects to regional vegetation plans. In practice I think we will find that it will be just as difficult as it has been in the past.

Senator BOLKUS—Do you agree with your colleague when he says, ‘Retaining trees may offer little or no benefit, either in terms of salinity or greenhouse?’

Senator Hill—Trees are an effective greenhouse sink.

Senator BOLKUS—So Mr Tuckey might have got it wrong?

Senator Hill—I do not know what Mr Tuckey said. But if you ask me whether revegetation can contribute to a reduction in Australia’s net greenhouse gas emissions, the answer is yes.

Senator BOLKUS—Minister, I turn to the issue of trust advertisements and, in particular, the advertisements featured on prime-time television during the Australian Open. In fact, those advertisements are probably still running. How much money has been spent on this advertising campaign?

Senator Hill—I issued a press release at the time the campaign started, which referred to the budget for that campaign. I do not know whether or not it has all been spent now. Perhaps somebody can give us that information.

Mr Woods—Invoices are still coming in for the campaign. But we have actually received a figure for the media buy, which is \$3.036 million.

Senator BOLKUS—Is that broken up to reflect what was spent on radio and television?

Mr Woods—There are other service costs on top of that, but total television advertising costs were \$2.89 million. We received a six per cent commission through the whole-of-government advertising arrangements. There was a campaign fee from Mitchells Media of \$43,000. Net cost of the advertisements for the media buy were \$2.76 million, plus GST of \$276,000, which leads to a total of \$3.036 million.

Senator BOLKUS—Was that the total cost of the exercise?

Mr Woods—There are also additional costs of \$351,000 for production; \$132,000 for creative head hour costs; \$44,300 for market research; and \$15,000 for closed captioning.

Senator BOLKUS—So the figure is closer to \$3.6 million?

Mr Woods—I was going to state that there was GST on top of that \$3 million, but that is incorporated in the figures we have received to date, so the figure would be \$3.6 million or thereabouts.

Senator BOLKUS—Was there no GST on production, creative research and closed captioning?

Mr Woods—GST is included in those figures.

Senator BOLKUS—So we have the break-up there. Will you make available to us documents relating to market research?

Senator Hill—Which ones?

Senator BOLKUS—The ones that led to this campaign. An amount of \$44,000 was expended on market research.

Senator Hill—I do not think we normally do that.

Senator BOLKUS—It has been done before, Minister.

Senator Hill—I do not think we have.

Senator BOLKUS—I think you have.

Senator Hill—Not without a struggle anyway.

Senator BOLKUS—It might have been leaked before. What do you see as the primary aim of the advertisements?

Senator Hill—It is to meet the objective of the trust to engender changes in public attitude. It is to recognise what members of the community are doing to improve our natural resources—the repair work that they are doing—and to give them credit for that. We hope that not only are they properly recognised but also that it will encourage others to contribute. That is the advertisements that you refer to make reference to how others can apply to be part of the program.

Senator BOLKUS—So it is a \$3.7 million pat on the back?

Senator Hill—No. I said more than that, didn't I?

Senator BOLKUS—As an afterthought. Can a copy of the brief to the advertising agency be provided?

Senator Hill—Probably.

Mr Woods—We have provided some of that information in the past.

Senator Hill—It will be subject to me having a look at it.

Senator BOLKUS—How much did each advertisement cost during the Australian Open?

Mr Woods—I do not think we have a specific breakdown of those costs.

Senator BOLKUS—I am sure it will not be too hard to get it, if you ask.

Senator Hill—Perhaps we can get some information, but I presume the advice was that that was the most effective way to achieve the audience that we wanted to achieve. Whether you have more ads in higher prime time, less ads in higher prime time, or more ads in lower prime time, I guess is for the experts to advise.

Mr Woods—The media spend breakdown was 70 per cent peak time and 30 per cent non-peak.

Senator BOLKUS—In peak time then, you were advertising in the Australian Open and the cricket: what else?

Mr Woods—Various other programs that would have high ratings at various TV stations.

Senator BOLKUS—Such as?

Mr Starr—Senator, there was a whole range of popular TV shows, the high-rating shows. *Friends* is an example.

Senator BOLKUS—Yes, but what are the others?

Mr Starr—We do not have a complete breakdown here. We can get that.

Senator BOLKUS—Get that for us, if you could. Who made the decision to advertise in (1) prime time and (2) in respect to these individual programs?

Mr Starr—We used the advice of Mitchells Media.

Senator BOLKUS—How much did it cost to advertise during the Australian Open?

Mr Starr—The cost was spread across the whole six-week campaign.

Senator BOLKUS—How much per ad?

Mr Starr—We do not have figures per ad.

Senator BOLKUS—Do you have figures for the Australian Open?

Mr Starr—No. As I say, the cost would differ; but we do not have those figures either.

Senator BOLKUS—I wonder if you can get for us the figures for the Australian Open, the cricket, for *Friends* and other—

Senator Hill—I do not know how Mitchells do it—whether you get a cost per individual slot, or how it is done. We can make inquiries and see what we can provide.

Senator BOLKUS—I am sure we can get a price per ad, Minister. That is the normal arrangement, I think.

Senator Hill—I do not know, but we will inquire of Mitchells as to how it is structured.

Senator BOLKUS—Can you get us a cost per ad and also a cost per program—for the Australian Open, the cricket, *Friends*, and so on. Minister, you indicated it was to give some encouragement to those doing the works and maybe get others in by example. It was not really to encourage applications?

Senator Hill—Yes; I said that was an important part of it. That is why the ads invited applications and gave the details.

Senator BOLKUS—Mr Woods or Mr Starr, can you tell us the range of questions that were asked in the market research?

Mr Starr—That is a very big question, Senator. Are you talking about the focus groups?

Senator BOLKUS—Yes.

Senator Hill—We do not normally provide the report of the agents on focus group work. You probably could not even get the questions that were asked.

Senator BOLKUS—How many focus groups were there?

Mr Woods—There were two. There were two areas of market research. There were two focus group sessions held to test the concept of the ads, prior to the ads going to air; and subsequently there was research carried out to assess the impact of the ads.

Senator BOLKUS—Were the two focus groups qualitatively different from each other? Was one a rural based one and one city, or were they both city?

Mr Woods—They were both held in Brisbane.

Senator BOLKUS—I hope that is reflective of the whole of Australia.

Mr Woods—These focus groups were held following focus group testing of the ads on two previous occasions. There was focus group testing carried out in other locations previously, involving different people. The ads have essentially remained the same over the three phases of the campaign.

Senator BOLKUS—How many people were there per group?

Mr Starr—That varied, obviously: with focus groups, it depends on the number of people who turn up. The recruiters were probably looking for 12 people on each occasion. They certainly did not get the 12 on each occasion.

Senator BOLKUS—Do they get paid?

Mr Starr—Yes, they do; which is part of standard practice.

Senator BOLKUS—How much?

Mr Starr—I have no idea.

Senator BOLKUS—Come back to us. Was Mark Textor involved in any way in this project?

Mr Woods—Not as far as we are aware.

Senator BOLKUS—Minister?

Senator Hill—In the estimates committee that I was at two days ago, I thought they said Wirthlin did the—

Mr Woods—Wirthlin Worldwide was the market research company.

Senator Hill—Is that the company that Textor is involved in?

Mr Woods—Textor is involved with that company. However, our dealings were with the director of the Sydney office of Wirthlin Worldwide.

Senator BOLKUS—What did they do—production, creative, market research?

Mr Woods—They did the market research.

Senator BOLKUS—What is Mr Textor's position in that firm?

Mr Starr—He is a director of Wirthlin in Australia.

Senator BOLKUS—How did you choose the market researchers?

Mr Woods—Originally, Australasian Research Strategies were selected as the result of a tender process, and that company then was absorbed by Wirthlin Worldwide. They have continued to provide the market research throughout the various campaigns that have been conducted.

Senator BOLKUS—When Australasian Research Strategies chosen?

Mr Woods—I think in 1998 for the first time.

Senator BOLKUS—When were they taken over?

Mr Woods—I think the company Australasian Research Strategies was always associated with Wirthlin Worldwide but I do not know precisely when the name changed fully to Wirthlin Worldwide.

Senator BOLKUS—So Mr Textor has always had some association with Australasian Research Strategies?

Mr Woods—I do not have information available to me as to his association with that company.

Senator BOLKUS—How were Australasian Research Strategies chosen? Was there an open tender process? Was it a closed one?

Mr Woods—It was a select tender process.

Senator Hill—We have been through that in considerable detail in a number of different estimates committees over the years.

Senator BOLKUS—I was not going to reopen the whole lot, Minister. I was not going to go through the whole lot again. Were there any discussions with the minister's office regarding the market research consultancy?

Mr Woods—As part of our normal procedures in relation to our public affairs activities generally, but also in relation to communications on the Natural Heritage Trust, we were in continual discussion with the minister's office.

Senator BOLKUS—Minister, you put out a press statement on 7 January, but not all of it was posted on the EA Internet site. Do you know why not?

Senator Hill—No.

Senator BOLKUS—Does Mr Beale know why not?

Mr Beale—No, I do not.

Senator Hill—They must have thought some of it was unduly political, did they, Mr Beale?

Mr Beale—The guidance from government is that if a ministerial release is judged to be party political then it should appear on the minister's web site, not on the departmental site. Now, I have no idea—

Mr Starr—That media release went straight up on the Internet, as soon as we got it.

Senator BOLKUS—Yes, but not all of it. Minister, in your press release how much did you say the campaign cost?

Senator Hill—I cannot remember.

Senator BOLKUS—Can anyone remember?

Mr Kitchell—Three million dollars.

Senator BOLKUS—You were wrong, weren't you? You were 20 per cent off. You understated the amount of the campaign by close to \$600,000.

Senator Hill—It sounds as though I overstated the television and I understated the total, if you include the research and—

Mr Woods—If I can add to your answer, Minister, the media release actually says that the media spend is \$3 million. I gave a figure of \$3.036 million.

Senator BOLKUS—The campaign all up is \$3.5758 million.

Senator Hill—Yes; but it sounds as if my statement was correct, then, Senator Bolkus.

Senator BOLKUS—It was misleading, though, wasn't it? The media campaign was \$3.6 million.

Senator Hill—Well, it said 'media spend', did it? So, no, it was not misleading.

Senator BOLKUS—But you did expect people to believe that the government had footed just over \$3 million for this campaign.

Senator Hill—Actually, I had in my mind a \$3 million television campaign.

Senator BOLKUS—So in that case it was deliberately misleading, was it?

Senator Hill—So it sounds as if it was a bit less than that.

Senator BOLKUS—It was not unintentionally misleading; it was deliberate.

Senator Hill—It sounds as if it was a bit less than that.

Senator BOLKUS—The fact is: the advertising campaign has cost close to \$3.6 million—

Senator Hill—Yes.

Senator BOLKUS—and not \$3 million.

Senator Hill—The media spend was less than \$3 million, but if you include the costs of production and research et cetera, then it came over \$3 million; that is right.

Senator BOLKUS—So shouldn't you have mentioned that in the total figure? Shouldn't that have been the figure that you put out to the public?

Senator Hill—I could have if I had have known it.

Senator BOLKUS—So you didn't know?

Senator Hill—I do not think I knew that detail, no, of the media spend. Actually, to be quite frank I do not know that I was intimately involved in the drafting of this release. I was told it was a \$3 million television campaign. The draft that came to me had an expression of a 'media spend of \$3 million'. That seemed to be consistent with that, and that was the end of it.

Senator BOLKUS—But now it is \$3.6 million. Did you put out a correction?

Senator Hill—The total campaign cost, including the research, production, et cetera, comes to over \$3 million. I am not disputing that.

Senator BOLKUS—I have finished with the NHT. Do you want to go back to the commercial buildings issue that I raised earlier, the issue of the environmental rating scheme for commercial buildings? I asked a while earlier: have tenders been sought for the development of a rating scheme for commercial buildings?

Mr Glyde—That is correct, Senator.

Senator BOLKUS—When was that done?

Mr Glyde—Last year is my understanding, but I do not have a precise date for you.

Senator BOLKUS—Can you get that for us?

Mr Glyde—I shall do.

Senator BOLKUS—What is the budget for the project?

Mr Glyde—I do not have that information with me at the moment.

Senator BOLKUS—On notice. You have received responses to the tender?

Mr Glyde—Yes, we have.

Senator BOLKUS—Ranging from \$70,000 to \$1 million, I gather.

Mr Glyde—I am not familiar with the details of all the individual tenders. They are currently being assessed within the department and going through the normal processes that we have for ensuring probity in dealing with such matters. So that is still in process and I am not personally familiar with who has tendered and how much each tender is.

Senator BOLKUS—Do you know how many tenderers you got?

Mr Glyde—I do not.

Senator BOLKUS—What is envisaged by the scheme?

Mr Glyde—The intent is to have a look at a methodology for assessing commercial, residential and industrial buildings, to look at their environmental footprint, if you like, so that it goes beyond energy rating schemes into looking at how efficient buildings are, how efficient they are in terms of their material consumption and a whole range of things. We are investigating a system whereby we might be able to provide to potential building purchasers an idea of the overall environmental impact of acquiring and using that building.

Senator BOLKUS—You are obviously aware of a program which is being extended nationally for a greenhouse rating scheme for commercial buildings?

Mr Glyde—That is correct. We are working with the AGO in relation to this matter. That program, it is my understanding, focuses primarily on energy efficiency. What we are looking at is broadening it out into other environmental issues.

Senator BOLKUS—Such as?

Mr Glyde—As I have mentioned, in terms of material consumption, water consumption, the livability of the buildings and matters such as that. We are looking at the whole thing: how efficiently does it work in terms of its waste management; does it reuse waste water, et cetera, trying to look at a broader set of environmental values than purely energy.

Senator BOLKUS—That alternative scheme apparently already has the support of all the states, is operational in New South Wales and Victoria, and is being extended.

Mr Glyde—That is the SEDA scheme?

Senator BOLKUS—The SEDA scheme, yes.

Mr Glyde—Yes, that is right. Again, I think in our original assessment of this matter that that scheme did seem to focus primarily on energy efficiency and, as I mentioned, we are looking to try and broaden that out to bring in other environmental values.

Senator BOLKUS—So we can anticipate having two competing schemes, then?

Mr Glyde—No. What we are looking at now is whether or not it is possible to develop such a scheme, to have a methodology, and that is really why we have requested tenders in that regard—is it possible, is it feasible, can it be done at a reasonable price—and that is—

Senator BOLKUS—Sorry, is what possible or feasible?

Mr Glyde—Is it possible to develop such a rating scheme at present. That is really what we are trying to test.

Senator BOLKUS—So you are actually focusing the tenders on extending the building greenhouse rating scheme, the SEDA scheme, are you?

Mr Glyde—No. I think what I am trying to say is that we are trying to develop an overall environmental rating scheme for buildings, and we are looking to see whether or not there are any contractors out there that can possibly provide that to us. As I said, I am not familiar with the details of the tender, but I imagine there may well be people who have tendered who have existing schemes who believe that they can be extended out to these other areas, and we are really testing the market to see if they exist.

Senator BOLKUS—Have you explored the option of expanding the greenhouse rating scheme?

Mr Glyde—I am not sure about that, Senator.

Senator BOLKUS—Is anyone here sure about it?

Mr Glyde—I do not know if we have the officers involved here who are involved more in the detail than I am.

Senator BOLKUS—What is your responsibility for this?

Mr Glyde—It comes within one of the branches in my division. I am in the Environment Quality Division and it is run out of one of the branches in my division.

Senator BOLKUS—You yourself have not contemplated whether the existing scheme, which is going national, could be extended?

Mr Glyde—I have not been personally involved in this project, but I would imagine that prior to the scoping of this project we would have looked at those schemes. I would like to come back to you if that is not the case, but that would be our normal process.

Senator BOLKUS—Do you have a rough idea of what this scheme is going to cost? How much have you allocated for it?

Mr Glyde—I do not have those figures in front of me.

Senator BOLKUS—Is it \$3 million, \$4 million, \$5 million—more, less?

Mr Glyde—No, it is not in that order of magnitude, Senator.

Senator BOLKUS—It is still a couple of million bucks, I suppose.

Mr Glyde—No. I would be very surprised if it is in the millions.

Senator Hill—No, it is not.

Senator BOLKUS—Do you think it might be a good idea to explore whether you can expand the greenhouse rating scheme and work with it?

Mr Glyde—Yes. As I said before, we are working with the AGO in relation to this matter and we are trying to find the most cost effective way of developing such a rating scheme.

Senator BOLKUS—Do you know if anyone has contacted SEDA?

Mr Glyde—Again, I do not have that information at my fingertips.

Senator BOLKUS—The fact is, they probably have not.

Senator Hill—This is some time ago, but I think the brief actually referred to the limitations of the state based scheme because it only looked at one aspect of sustainability.

Senator BOLKUS—Thanks for tuning back in, Minister, but we have actually established that. We are now moving on to whether there is any value in discussing with SEDA the concept of expanding that scheme, which is getting national implementation. You have discussed this with AGO.

Senator Hill—I have actually been tuned in throughout. One of the possible outcomes could be a modification to the existing state based scheme.

Senator BOLKUS—Not if you do not discuss it with them.

Mr Harrington—As Mr Glyde has indicated, we have been working with both Environment Australia and SEDA now for some time around the concept of a commercial building rating tool and, indeed, have been discussing with SEDA their tool, its merits and demerits. We are involved in a process that SEDA undertook a number of years ago now to analyse a number of international precedents before they developed their scheme.

Senator Hill—It is hand-in-glove, Senator Bolkus.

Senator BOLKUS—I would not say that totally, Minister. How many discussions have you had with them?

Senator Hill—You should feel reassured.

Mr Harrington—SEDA is represented on a Commonwealth-state process known as the Energy Management Task Force, in which the Australian Greenhouse Office is also a participant. That body meets, I would say, once every three to four months and has done so for many years. This issue has been on the agenda of that committee for a good number of meetings. I could not tell you the exact number.

Senator BOLKUS—If there have been discussions of it there and they have been involved, fair enough, but no-one has actually gone to SEDA, have they, and asked whether you could jointly explore extending their scheme?

Mr Harrington—I do not have dates in my memory, Senator, but I am aware that meetings have taken place. I seem to recall one of my staff attending a meeting at SEDA's offices on that exact subject.

Senator BOLKUS—This tender process has gone on in any event, run by EA. In the tender process there does not seem to have been any attention given to exploring tenderers who would, for instance, focus on extending the existing scheme. We are talking about a tender process which is geared towards running a parallel scheme, covering both greenhouse and other environmental issues. If there had been discussions and it was hand-in-glove, as the minister suggests, why wouldn't you have looked at retaining this tender proposal?

Mr Glyde—Senator, I have just been advised that the Environment Australia officials held discussions with SEDA prior to Christmas in relation to this matter and, really, we see SEDA as one of a range of potential tenderers for this particular project.

Mr Harrington—In addition to that, Senator, the Australian Greenhouse Office has also been involved as a member of the panel involved in this tender process and therefore has had the opportunity to draw linkages between our work and SEDA's work and EA's.

Senator BOLKUS—That is great. Mr Glyde, would you acknowledge, for instance, that it would be best to have just one scheme running across the country?

Mr Glyde—I really do not know. I think we are still in the process, Senator, of coming to that judgment about what is the best scheme to use, and that is the reason for the whole process. I do not want to commit to an answer in relation to that until we have had a look at what is available.

Senator BOLKUS—You have to accept, though, that the building industry, the private sector, would be better off with one scheme, wouldn't they?

Mr Glyde—I think that is right. I thought you were asking the question of whether we should be extending the SEDA scheme out to be that one scheme.

Senator BOLKUS—My starting point is that you have a scheme which has been introduced nationally. It is not just New South Wales. They are on the ground floor. Why wouldn't you look at that as a priority?

Mr Glyde—I think we are looking at that as one of a range.

Senator BOLKUS—I am asking you: why wouldn't you look at it as a priority?

Mr Beale—Senator, I think that it would give SEDA, presumably, a significant advantage in competing with other bidders in this process and that will be taken into account in the evaluation of the tenders.

Senator BOLKUS—It is not all a matter of dollars and cents. You are trying to get a scheme that will work.

Mr Beale—Indeed.

Senator BOLKUS—You have an organisation out there already, nationally introducing a scheme. You know the private sector would have all sorts of problems with two schemes. Why wouldn't you take a policy decision to try and dovetail into the SEDA scheme?

Mr Beale—Clearly, a bit of market tension is often helpful in these things and we will look at the bids.

Senator BOLKUS—It is a lot of bunkum in this instance, isn't it? Go and talk to the building industry and see if they want two schemes, Mr Beale. Go and talk to the building industry and see how they would handle two schemes.

Mr Beale—They may well not have two schemes at the end of the day, but let us have a look at the bids.

Mr Glyde—There are two issues there in what you are saying, Senator. One is having a single scheme; the other is whether or not SEDA's scheme should be that single scheme. The question we are trying to find the answer to is whether or not that scheme is capable of being expanded out into the areas that we wish it to be or whether there is, indeed, another alternative.

Senator BOLKUS—What work have you done on that? What work have you done on whether you can in fact develop the SEDA scheme? Have you actually sat down with them and said, 'This is what we're thinking of doing. This is what you're doing. How can we dovetail with each other'? You have not, have you?

Mr Glyde—As I have mentioned, we have had discussions with SEDA. I was not personally a part of that discussion process.

Senator BOLKUS—But you have not discussed that aspect, have you?

Mr Glyde—I do not know what the subjects of those discussions were.

Mr Harrington—Senator, I also was not present at those discussions. However, I understand from a member of my staff who was there that the relative merits and perhaps some shortcomings of SEDA's scheme certainly have been discussed. It is also the case that I am aware of at least two competitor schemes. The building industry does not speak with one voice, of course, but various players within the industry have at various times expressed support for those competitor schemes. They include the Green scheme developed in the UK, and the Green Building Challenge which, I understand, was originally developed in Canada. Advocates of those schemes have been in Australia in recent times promoting the benefits. Therefore, while industry may wish to have one scheme, it is far from clear which scheme would be most supported.

Senator BOLKUS—But you also know, I presume—and you have not told us—that the Property Council of Australia supports the SEDA scheme, the Master Builders Association supports the SEDA scheme and the energy efficiency best practice program in ISR supports the SEDA scheme. That is not a bad ground floor to have, is it?

Mr Beale—When we have the bids in place and we have that knowledge of what the various building industry groups think and believe about these schemes—

Senator BOLKUS—Mr Beale, I have that knowledge from opposition. Why don't you have it in government?

Mr Beale—We can take all of that into account.

Senator BOLKUS—Why haven't you taken it into account already?

Mr Beale—We have entered into a tender process that extends our information base in helping us to decide how to move to the next step. It does not preclude SEDA becoming an extended standard; it allows every opportunity to SEDA. We are well through this process now. I do not think there is much that we can add to help you until we have completed the evaluation of those tenders.

Senator BOLKUS—Mr Beale, whether I think you can help me and whether you think you can are probably two different things. I have a different view. What is the time frame which you envisage for the tender process and for the development of the scheme?

Mr Beale—As I said before, we are currently in the process of assessing those tenders. I am not quite sure how long it is going to take to do that. There is a process within the department, where it has to go through a procurement review board, but I would imagine in the next month or two we will be in a position to provide advice to the minister in relation to this project.

Senator BOLKUS—Can we get a copy of the terms of reference for the project?

Mr Glyde—Yes, I do not see why not.

Senator BOLKUS—Was it an open tender process?

Mr Glyde—An open tender process.

Senator BOLKUS—Who is running the tender? Is it the department or have you contracted it out?

Mr Glyde—No, the department is running the tender process.

Senator BOLKUS—Do you have any idea of what it might cost for rating a building?

Mr Glyde—I do not, Senator, no.

Senator BOLKUS—Is it the intention to replace the existing residential rating scheme used across Australia as well?

Mr Glyde—What we are trying to do, as we said before, is to establish what might be a methodology for doing that. Having had a look at methodologies, then we might take a decision about whether or not we should move forward. We have to have a look at the costs and benefits of doing it.

Senator BOLKUS—You are looking at both commercial and private buildings?

Mr Glyde—That is my understanding of the scope of the scheme.

Senator BOLKUS—Thank you very much. I will turn to the Greenhouse Office but do not go away because I might have some questions for you later on as well. I can probably put this question on notice: what promotional material and goods have been produced for the AGO in each of the last three years? We are talking about promotional and information. This would include all booklets, leaflets, promotional goods, CDs, CD-ROMs, little oddities along the way and advertising. As part of that, how much was spent on the design and production of the electronic Christmas card?

Ms Andrews—I believe the design and construction of our electronic Christmas card cost us \$55.

Senator BOLKUS—That is good; \$55 is good.

Senator Hill—Did I get one?

Ms Andrews—Your office did.

Senator BOLKUS—What did you spend on a promotional stand at COP6?

Ms Andrews—I would have to take that on notice. There was production of a particular brochure for that but other materials that we had there were materials that we already had in hand. And there were travel costs, of course, so I would have to take that on notice.

Senator BOLKUS—Could you give us the cost of the stand and getting all the stuff there and, within that, the cost of the glossy booklet that was produced as well.

Ms Andrews—All of the materials will be multipurpose because they can be used in other contexts as well.

Senator BOLKUS—Minister, I refer you to the recent report of the IPCC projecting likely temperature increases of 1.5 to 5.8 degrees. Is it a fact that the national greenhouse inventory is showing greenhouse gas emissions increasing at a faster rate than the economy?

Mr Carruthers—It depends very much on the year, Senator. If you were to have a look at the fact sheets that go with the national greenhouse inventory, you would see that the trend through the 1990s has been a lower intensity of emissions in the economy relative to dollar of GDP.

Senator BOLKUS—What are you trying to tell me? Say over the last five years for instance.

Senator Hill—We are trying to tell you that we are slowly becoming more energy efficient as a nation.

Senator BOLKUS—Can you get us total figures of emissions and economic growth over the last five years?

Mr Carruthers—That is all published, Senator. We can supply you with that documentation.

Senator BOLKUS—We are at odds with other OECD countries, aren't we? Their emissions per GDP have actually decreased.

Senator Hill—We have a high cost of abatement compared to most. Therefore, it is easier for others to reduce more quickly than us. But, certainly, part of the challenge in addressing greenhouse issues is to find ways to decouple economic growth from carbon growth.

Senator BOLKUS—I know you have not said this, but the tenor of what you are suggesting is that it is not a matter of concern that other countries are reducing emissions per GDP while ours are increasing.

Senator Hill—I am concerned that we achieve the target we made in Kyoto. If we can do that then we are making a fair contribution to an historic outcome which will be, for the first time, a net reduction in greenhouse gases across developed nations.

Mr Carruthers—In terms of the actual numbers from the inventory fact sheet, in discussing underlying factors over the period 1990-1998 it says, 'Greenhouse gas emissions per dollar of GDP decreased by 8.2 per cent from 1990 to 1998.' A similar trend will continue through to 1999 when that inventory comes out in the next few months.

Senator BOLKUS—Thank you. Minister, did you see a report in the *SMH* on 8 February saying that as little as \$100,000 is spent each year in assessing the impact of climate change? How much, for instance, would the AGO spend on assessing—

Senator Hill—In the report that came out two days ago on impacts, vulnerability and adaptation, the chapter on Australasia is basically produced as a result of Australian research and by Australian scientists who have been working on it for years. If they can do all that work within \$100,000 they are pretty clever.

Senator BOLKUS—Minister, the rainfall scenarios that CSIRO has come up with show decreases for much of Australia, and water flows in the Murray-Darling Basin are predicted to be falling by as much as 35 per cent by 2050. Do you accept CSIRO's assessment?

Senator Hill—I do not think it is stated in as precise a way as that. But I can tell you that, when we were doing work on the Snowy River corporatisation, we accepted that there was likely to be a reduction in water in the Murray-Darling as a result of climate change. The figure that we were looking at that time, which would have been on the basis of advice, was about three per cent.

Senator BOLKUS—In what period, Minister?

Senator Hill—I am advised that three per cent is the historic figure over the last 100 years. If you say that climate change means we are going to get a continual warming, in accordance with the IPCC scientists' estimation, then that would be something over three per cent. But 35 per cent is a long way ahead of that.

Senator BOLKUS—Has anyone at the table seen the CSIRO prediction?

Mr Carruthers—I will make a few remarks on that if you wish, Minister. I think the reference to River Murray flows over the next half century are linked to the IPCC report. In fact it relates to one sentence in the IPCC working group 2 report, chapter 12, dealing with Australia and New Zealand. It in fact quotes the work of a scientist, Arnell, who is from the University of Southampton in the UK. It is not CSIRO work. It is a very recent, very broad brush, macro scale, hydrological assessment of the world which happens to mention the

Murray-Darling Basin as part of that treatment. I would interpret that particular study as very much preliminary and indicative. Obviously, the manner of assessing river flows under future climate change is quite complex in terms of the science, and it is really only as we get to this point that the core atmospheric sciences are able to begin to support this kind of impact assessment. This core science has been heavily funded by the government through the Australian Greenhouse Office, CSIRO and the Bureau of Meteorology over a period of years.

Senator BOLKUS—You have not seen any CSIRO work that would indicate a possible fall of as much as 35 per cent by 2050.

Mr Carruthers—Not for the River Murray. The Australian Greenhouse Office did fund a couple of years ago a project on the Macquarie River catchment in New South Wales which is, of course, part of the wider River Murray catchment. That report is available, Senator. That was based on CSIRO work along with a number of other bodies in Australia.

Senator BOLKUS—Can we get a copy of that, Mr Carruthers?

Mr Carruthers—Yes, I have a copy here, Senator.

Senator BOLKUS—Minister, you mentioned earlier on the deliberations in government on water flows in the Snowy and, I presume, the Murray-Darling Basin more generally, and you mentioned three per cent as being the historical reduction over the last 100 years. Did you take into consideration the increase on that three per cent because of increased greenhouse gas emissions?

Senator Hill—I said that I would assume that the figure will increase. What I was saying was that it was a long way between three per cent and 35 per cent.

Senator BOLKUS—Yes, I know you said that, but was there any figure that was factored into cabinet or government considerations of this issue?

Senator Hill—On my recollection it reviewed that historic information and advised on the basis of that and on the increasing temperature scenario that we should factor in less water—less water associated with climate change. I do not think there was an estimate of that, but I will check on that for you.

Senator BOLKUS—If you could, that would be great. Do you think there is any need for any further work to be done on that?

Senator Hill—On impacts?

Senator BOLKUS—Yes, in the Murray-Darling Basin?

Senator Hill—I think, as Mr Carruthers said, you have to have the basic sides before you can really get useful impact scenarios. We are now getting to that stage. This is the first—correct me if I am wrong, Mr Carruthers—attempt by the IPCC to look at regional differences. You have got the world's top scientists now coming to this stage in their work and it will be in Australia's interests to continue that and apply that science to our own circumstances to get a better picture of variations that are likely to occur across Australia. Out of that information hopefully our adaptation programs might be finetuned.

Senator BOLKUS—Mr Carruthers, you mentioned work done on regional impacts. What is the most recent work done on regional impacts that you know of?

Mr Carruthers—There is a body of core science being funded in Australia. It is very hard to go through the details. If I look at the planned expenditure for the current year 2000-01, I see that in the area of regional climate change and climate model experiments and

downscaling—that is looking at regional scale modelling—CSIRO are looking to spend \$236,000, the Australian Greenhouse Office is expending \$465,000 and the Bureau of Meteorology investment by AGO was \$130,000. In terms of regional climate change assessments, CSIRO, 356,000 and AGO, \$150,000. Antarctica, of course, might be thought of as a region: major investments in that area. That is not to say that, at what I still believe to be a relatively early stage of the science, both in Australia and internationally, there is clearly a call to build on that science. That is something that within the available resources the Australian Greenhouse Office, for one, will continue to focus.

Senator BOLKUS—Minister, you mentioned earlier that reaching our targets is the important imperative here. You said on radio yesterday that you did not think we would reach our targets of eight per cent before the year 2020. That is tossing in the towel, is it not?

Senator Hill—I meant 2010.

Senator BOLKUS—You meant 2010.

Senator Hill—I meant over 20 years, 1990 to 2010.

Senator BOLKUS—And you still think we will meet our targets by 2010?

Senator Hill—I believe we can meet our target by 2010, but it is going to require significant effort across all sectors. It will require national determination.

Senator BOLKUS—Do you think you have sufficient understanding of the problems in government to be able to bring that about amongst your colleagues?

Senator Hill—The Commonwealth is the tier of government that has put the real dollars behind it. The Commonwealth has a program of about a billion dollars. The states have very minor programs.

Senator BOLKUS—We get comments from Mr Andrew Thomson that there is a lot more spin than science in a lot of what the greenhouse industry is saying to the media. Is he speaking on behalf of the government, do you think?

Senator Hill—What did he say, I am sorry?

Senator BOLKUS—He is saying there is a lot more spin than science in a lot of what the greenhouse industry is saying to the media—‘Slash funding on greenhouse,’ says Liberal MP.

Senator Hill—Spin than science?

Senator BOLKUS—Yes.

Senator Hill—The IPCC report is what—400 of the world’s top climate scientists.

Senator BOLKUS—And more.

Senator Hill—More than 400 of the world’s best. They have now been working on it for years. Everything they have said is coming to pass. The last decade was the hottest on record. I think it would be foolish in the extreme for the international community to ignore their warnings. Certainly the Australian government is not ignoring it. That is why we have a program supported with a billion dollars of taxpayers’ money to bring about very significant change in the structure of our economy.

Senator BOLKUS—Mr Thomson is on the wrong wavelength, I presume.

Senator Hill—I am not sure what Mr Thomson was talking about, but there will always be a scientist who has a different point of view. But the overwhelming view—almost I would say

the consensus of the world's best in this area now—is that it is a serious issue that requires urgent action across the globe.

Senator BOLKUS—Good. Minister, it took you three weeks to correct the record. You did not think of responding to Mr Thomson's comments at the time.

Senator Hill—I have not corrected the record. I do not know what you are talking about. I did not say anything that required correction.

Senator BOLKUS—No, I do not think you have, but Mr Thomson got a big run with his allegation that it was more spin than science and we did not hear you trying to—

Senator Hill—I think you hear me on greenhouse practically every day, Senator Bolkus.

Senator BOLKUS—Gladly I do not—

Senator Hill—You should listen.

Senator BOLKUS—Often enough, though.

Senator Hill—I will send you the press releases.

Senator BOLKUS—How will the new fuel quality standards assist the greenhouse challenge? I am asking the minister this question.

Senator Hill—He wants me to have a go at it, which is fine.

Senator BOLKUS—How the fuel quality standards will assist the greenhouse challenge. Someone else might want to help.

Senator Hill—No. There are a combination of benefits: air quality benefits and also some reduction in greenhouse gases by the adoption of better technologies and emission controls matched to a better fuel quality.

Senator BOLKUS—Have you made an assessment of the degree of impact on greenhouse gas emissions by introducing new fuel quality standards?

Senator Hill—Yes, we did have some estimates at the time we implemented the program. A lot of the low sulfur stuff is more directed to air quality issues, but perhaps you would like to provide some more specific—

Mr McGlynn—With some of the issues that come out of fuel quality, the issue is not how much it directly contributes but it becomes a technology enabling issue. Where fuel can meet certain standards, certain technologies are then introduced—such as direct fuel injection—in place of other technologies which themselves then have significant greenhouse benefits. I think that is where the major link comes out.

Mr Beale—Senator, this applies to petrol, where the combination of low sulfur and higher octane will enable direct injection petrol engines, and also to diesel, and there are some very efficient car diesel engines that we simply have not been able to adopt before, because of the high sulfur content but which are used in a widespread way in Europe. They are diesels. But the really big gain from the fuel standards is the drop in particle loads on our major cities.

Senator BOLKUS—Minister, you said you did have some sort of figures in mind when you introduced the standards. Do you know what those figures are? Can you recollect?

Senator Hill—I am sure that I can recollect some estimates, but we would need to go back into the records.

Senator BOLKUS—If you could. What we have basically been told is that there is an indirect benefit and probably not a great one, not a large one.

Senator Hill—I think I just answered, didn't I? I said the principle benefit of new emission controls is air quality.

Senator BOLKUS—You were on radio yesterday addressing climate change, saying that the great initiatives were fuel quality standards, power generation—we know that power generation standards will not be in place or fully implemented before 2005—and building codes. As we have been discussing, they are not implemented as yet, so you are not really #(indistinct 3.35) much strength, are you?

Senator Hill—Then I think I talked about renewable energy, didn't it? You are using selective quotes.

Senator BOLKUS—Your three main ones do not stack up all that well. Can you tell us when COP6½ will be held?

Senator Hill—The dates have not been settled but we think in about July.

Senator BOLKUS—Any idea where?

Senator Hill—I am told not. Is that right, Mr Carruthers?

Senator BOLKUS—No? I presume there is an ongoing negotiation process. Are we part of that?

Senator Hill—Yes. There are official negotiations coming up. We are expecting a series of meetings in conjunction with the Commission for Sustainable Development in April, including meetings with the COP president. There is likely to be another round of ministerial meetings before the resumed COP6.

Senator BOLKUS—Can you give us a flavour of how progress is going, if there is progress?

Senator Hill—There has not been a lot of progress since December.

Senator BOLKUS—Has there been any?

Senator Hill—I would say no. One of the difficulties, of course, is that the most important player has been out of action.

Senator BOLKUS—I was going to ask about the US. Have we had any indication of any policy directions from the new administration as yet?

Senator Hill—Not really. They are still putting their personnel in place and, because they are the world's largest emitter as well as the largest economy, they are obviously a critical player in a better outcome.

Senator BOLKUS—Are we still going to continue with our support for the inclusion of nuclear technology in the CDN?

Senator Hill—As a matter of principle we cannot see why nuclear should be excluded. There are some who are seeking to exclude it really on ideological grounds. In terms of rational grounds, it was difficult to see how it should be excluded. It is a non-greenhouse technology and it is a desired form of technological development of some developing countries.

Senator BOLKUS—So are you saying we will maintain that position?

Senator Hill—Yes. I do not know what the wording of an ultimate COP6 text will be, but our position has been to be supportive, because as I said we cannot see logically why nuclear should be excluded. We believe that basically any development of the rules for CDM we

should be working to the needs and desires of the developing countries. There are some developing countries that are wanting to utilise the opportunity of nuclear alternatives.

Senator BOLKUS—Are we having bilateral discussions with any country in the lead-up to July's meeting.

Senator Hill—Which meeting?

Senator BOLKUS—Any bilateral discussions, for instance, with the US or any other country?

Senator Hill—Have there been?

Senator BOLKUS—Are we having any?

Senator Hill—We will, yes.

Senator BOLKUS—Is there a program that you have embarked upon to try and resolve some issues before the July meeting?

Senator Hill—Yes. It is cranking up again now, but we will be having both constant bilateral and multilateral contact at official and ministerial level.

Senator BOLKUS—Turning to the Greenhouse Gas Abatement Program, can we get some idea of when the grant allocations are likely to be announced?

Senator Hill—The recommendations for the first tranche have just reached ministers and will be dealt with expeditiously.

Senator BOLKUS—I am trying to get a fix on the blend of government and private sector proposals that might be accepted. Can we get some idea now of that sort of mix?

Senator Hill—I do not think that would be possible at the moment. Ms Andrews might well say she could tell you if ministers accepted all of her advice but, whilst that often happens, I would not want to presume it would happen.

Senator BOLKUS—Is there a preferred formula?

Senator Hill—She might be able to give you some sort of guide on the percentages in terms of applications. I do not know if it is of any use. Do you have any idea?

Ms Andrews—There is some government involvement in the final short list. For example, I believe there is some state level involvement in some transport proposals and there are a couple of regional proposals that would have local and/or state government involvement as well. I have not thought of it in those terms, so I do not know exactly what the percentages are compared with the purely private sector consortia.

Senator BOLKUS—Are we still working at a \$4.28 per tonne figure under the program, or is it something more or less than that?

Senator Hill—It would be much better to answer it after we have made a decision on the first tranche and then you can work it out per tonne.

Senator BOLKUS—When did you say we might expect that announcement, Minister?

Senator Hill—I did not. I said that ministers have just got the recommendations and we want to progress it as quickly as possible.

Senator BOLKUS—Minister, on a *Sunday* program at the end of last year and on ABC Radio in Queensland, you talked about the possibility of using abatement program funding for

land clearing compensation. Can you tell us what dollar per tonne emission reduction can be achieved in this way?

Senator Hill—We have always said that it is very cost competitive. Unfortunately, we have never received the cooperation from the Queensland government that we would like to see.

Senator BOLKUS—Has the department made an assessment of the cost?

Senator Hill—I have seen estimates, but they are very low. It is a very competitive alternative for Australia.

Senator BOLKUS—Can you tell us what those estimates are?

Senator Hill—What is our view on that? Are they internal estimates?

Ms Andrews—I think they are probably internal at this point. They are based on modelling that has been done out of Prime Minister and Cabinet, essentially, on data that we are still not 100 per cent sure of, some of it being provided by the Queensland government as well.

Senator BOLKUS—Minister, have you had any advice as to whether you could legislate in respect of land clearing?

Senator Hill—Obviously, we have advice on the extent of Commonwealth powers in relation to natural resource management, because that was one of the issues that was the basis of the new legislative reform. We would have received internal advice on that issue.

Senator BOLKUS—Is it your belief that you have power, for instance, to guarantee limits or caps?

Senator Hill—It is a legal question and, therefore, I should not answer it. Generalising, I think the Commonwealth has powers, yes.

Senator BOLKUS—Have you made any assessment as to how much you would be required, for instance, to pay by way of compensation to Queensland farmers to halt land clearing, if you were to pay?

Senator Hill—We did a lot of work on that last year. Of course, it really depends on what you are paying for, but we did work on analysing the costs of different regions. It all depends on the nature of the vegetation and many other factors. But we have done considerable work on that. Needless to say, we have far from unanimity in the outcomes and it is a very difficult thing to analyse in a confident way. But, yes, work has been done on that, both at the state level and at our level.

Senator BOLKUS—How many regions have you identified?

Senator Hill—I cannot remember that.

Senator BOLKUS—Maybe you could put this on notice, then.

Senator Hill—We were looking at different issues, such as endangered species, and areas of concern, as well as broader areas of vegetation. As I said, the figures varied greatly, depending on the type of vegetation. Generally speaking, in the more endangered it tended to be higher because of the fact that it tended to be a more carbon intense vegetation.

Senator BOLKUS—Could you provide information for us on notice as to the regions and what it might have cost per region?

Senator Hill—We would not want to do that at the moment. We still retain some hope of progressing the matter with the Queensland government. I think it would not be consistent

with facilitating the best chance of reaching that agreement to be talking publicly about levels of compensation.

Senator BOLKUS—But you did say that stopping land clearing would be the most competitive alternative, if I heard you right.

Senator Hill—That is correct.

Senator BOLKUS—How much money will be allocated in this first round of funding?

Senator Hill—We talked of four tranches, but some of the projects are of several stages, so we were talking about a first tranche of \$100 million, as I recall.

Ms Andrews—Yes, the initial appropriations were in \$100 million blocks over four years, of which we have had some reprofiling in additional estimates to compensate for other issues. It is unlikely, in any case, that we would spend \$100 million in this year, regardless of the number of projects that ministers decide to fund.

Senator BOLKUS—Has a \$400 million program been announced?

Senator Hill—No. We have appropriations totalling \$400 million over four years, but that does not necessarily mean that approvals will be for \$100 million this year. It might be less or projects might be approved that go beyond one year.

Senator BOLKUS—Ms Andrews said that there are other programs that might cut into this. What did you mean by that?

Ms Andrews—No, sorry. I was referring to the actual figures in our additional estimates statements here, which essentially reflect the need for some reprofiling on the program. As you will recall, we have had to reprofile our PB rebate scheme, and the borrowings are against this particular program to be returned in later years because, in any case, it is unlikely that we would have been able to expend fully \$100 million this year.

Senator BOLKUS—But you still anticipate spending \$400 million over four years?

Senator Hill—Yes.

Senator BOLKUS—The Renewable Remote Power Generation program has a budget of \$264 million over four years. There have been delays. How many state agreements are there currently in place and when were they signed?

Mr McGlynn—Currently, there are state agreements with four of the six states, which are the four largest ones. We are still waiting on two more.

Senator BOLKUS—Which ones are you waiting for?

Mr McGlynn—New South Wales and Tasmania.

Senator BOLKUS—New South Wales is a pretty large one.

Mr McGlynn—In terms of this program it is not because of the nature of how the funding is allocated. The larger allocations in this are expected to go to Queensland, the Northern Territory, South Australia and Western Australia. I am sorry; I have forgotten the second half of the question.

Senator BOLKUS—When were they signed?

Mr McGlynn—I do not have dates in front of me.

Senator BOLKUS—Take this on notice: when did you first receive the submissions from the states and when were they signed?

Senator Hill—The submissions or the agreements?

Senator BOLKUS—When were the submissions from the individual states received? I gather it is a submission based program. And when, further down the track, were agreements signed with the states?

Ms Andrews—We can provide that information on notice.

Senator BOLKUS—Has any funding been allocated as yet?

Mr McGlynn—There has been no program expenditure to date in terms of the state programs, and there has been some slight administrative funding, but it is very small.

Senator BOLKUS—But if you have signed four agreements you must have decided on how much money you would allocate for each of those states.

Mr McGlynn—The allocations to the states are based on the amount of diesel excise paid in certain applications so that we have an estimate of what is likely to be allocated to each state. The actual figure will not be finalised until the end of each year and there is an adjustment process in place. It is a two-stage process. I think it is worth recalling that the first stage is the states under a partnership agreement which sets out the general terms and methods of operation of the program. Once that is in place they then make proposals for specific spending approvals.

Senator BOLKUS—I wonder if you could take on notice the anticipated allocation of funds by year and by state and the emissions abatement forecast along the same sort of scenario—state and year—or cumulative. We received correspondence from Power Solutions claiming that delays to the implementation of the program is costing industry millions. Do you have any response to that?

Ms Andrews—We have recently received that same correspondence from Power Solutions and we are looking into it now. Because of the complexity of the arrangements between the Commonwealth government and the states for expenditure of this funding, as you have just heard there has been none expended to date and, as a result, there is some consternation amongst industry that people are not placing orders. We are aware of that and we are attempting to facilitate the finalisation—the coming to completion, if you like—of the administrative arrangements between us and the states.

Senator BOLKUS—You have not had a chance to adequately assess the concerns.

Ms Andrews—I do not believe we have to this point. I think that particular fax came in to us about the middle of last week.

Senator BOLKUS—We will maintain an interest in that for the next round of hearings; so if, in the meantime, you do come to an assessment I would appreciate being informed. You have awarded a contract for the development of a climate neutral labelling program. Is this contract under way?

Ms Andrews—There are a couple of contractual arrangements in place to develop the program. One is with a program designer which is actually a two-stage contract in which we contracted somebody to help us design the program and with an option to take up that same contractor as an ongoing program manager. We have not yet made a decision as to whether or not we will do that. The program design guidelines are with the ministers now.

Senator Hill—Which program are you talking about?

Ms Andrews—We are talking about the product certification program, the greenhouse friendly program. The other stream of work that is going on is design and testing of an actual logo for a certification mark, and that also involves some contracting.

Senator BOLKUS—There was a tender advertised, was there?

Ms Andrews—Yes. I would have to get the details. I believe one was an open tender and one was a select tender, but I would have to check that.

Senator BOLKUS—Can you give us details of the tenders: if it was a select tender, how they were chosen and who they were and the terms of reference?

Ms Andrews—Yes, we can give you that.

Senator BOLKUS—And I presume all that would give us an overview of what you have planned for the program, or is it another document that does that?

Ms Andrews—There will be program guidelines when they are approved at ministerial level, and that would probably give you the best information on the program.

Senator BOLKUS—Did you tell us how many tenderers there were? I think we have canvassed that. When do you anticipate making a decision and awarding the tenders?

Ms Andrews—The decision on those initial tenders has been made and the successful contractors are working under those existing design tenders.

Senator BOLKUS—Who were they?

Ms Andrews—Detnorske Veritas, DNV, which is the program designer, and Mark Dingham and Associates for the work on the design and testing of the certification mark.

Senator BOLKUS—What are the contracts worth?

Ms Andrews—I would have to take that on notice, Senator.

Senator BOLKUS—Thank you. We are talking here of an endorsement labelling program where the response of the consumers can be fairly important. What sort of measures will you put in place to ensure that the labelling will be subject to adequate standards of scrutiny, assessment and so on?

Ms Andrews—We plan to take the certification program through the ACCC process. We have in fact involved the ACCC with consultations on the design of the program at this point, and we would propose to launch the program as a pilot program initially in order to have the opportunity to further test both industry and consumer reaction to the program as we are going through the certification process with the ACCC, which we intend to commence shortly.

Senator BOLKUS—Do you see the ACCC as the adequate form of independent scrutiny for the program?

Ms Andrews—In terms of a consumer labelling certification mark, that is the process within Australia that you would normally go through to protect the mark, and also to ensure that consumers get appropriate value from the mark.

Senator BOLKUS—Have you ever sought advice from the Attorney-General's Department on carbon trading—model carbon trading legislation, for instance?

Ms Andrews—We have sought advice from the Attorney-General's Department and other sources, but not on model legislation, if I understand how you are using that term. If you

would like to go into the extent of the advice that we have sought, perhaps I will ask Dr David Harrison to join us at the table. He is our special adviser on emissions trading.

Dr Harrison—As Gwen said, we have not sought any advice on actual sorts of models for trading, because the policy development process has not reached that stage yet. We have sought advice on Commonwealth powers with regard to implementing a trading scheme.

Senator BOLKUS—Can we get a copy of that advice.

Senator Hill—We do not normally put out legal advice.

Senator BOLKUS—I understand that with legal advice you may not, but if it is possible to make that available to us that would be great.

Senator Hill—But this one might be different. It is not in relation to a Commonwealth matter but, rather, a sort of dispute matter or something—which is the usual legal advice that we do not put in. It is a broader conceptual analysis of the constitution as it applies to a new sphere of endeavour. I will have a look at it and see if we can.

Senator BOLKUS—My information was that advice was sought in 1998 under the Greenhouse Challenge. Has there been advice more recent than that?

Dr Harrison—I could not comment on what advice was sought under the Greenhouse Challenge in 1998.

Ms Andrews—I do not recall that advice. We did seek advice directly from the emissions trading team on the constitutional powers, and we are searching our memories, but we believe some of that advice was in fact reflected in one of the discussion papers on emissions trading that we put out. In one of those papers, we did directly address the issue of whether or not the Commonwealth had constitutional powers to implement such a scheme. We will look that up for you.

Senator BOLKUS—Can the minister try and make the advice available to us and, in the meantime, can you come back to us with dates as to when advice was sought?

Ms Andrews—Yes.

Senator BOLKUS—That is all I have, thank you.

Mr Beale—Before the committee closes, Chairman, with your indulgence, could I just come back to some of the questions that Senator Bolkus asked a little earlier. We do have some additional information that he was seeking. This is in relation to the rating scheme. You will recall that we advised that tenders were open tenders—that all could apply. Firstly, I have been advised that SEDA chose not to tender. Secondly, the tender specifications require the successful tenderer to examine all existing schemes and evaluate their potential for being the basis for any future rating schemes, as well as to consider new schemes. Therefore, the SEDA scheme will be examined. We hope to make a decision through our procurement board shortly and advise the minister accordingly. Thank you, Mr Chairman.

CHAIR—This concludes this round of estimates. I thank the minister and officers from the Environment and Heritage Portfolio for their attendance today. I also thank Hansard and Broadcasting for their services. I thank the committee secretariat, headed by Andrea Griffiths, for their support during these hearings today. I hereby adjourn this hearing.

Committee adjourned at 4.24 p.m.