



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT AND COMMUNICATIONS
LEGISLATION COMMITTEE

Estimates

TUESDAY, 24 MAY 2011

CANBERRA

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SENATE
ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE
Tuesday, 24 May 2011

Senators in attendance: Senators Abetz, Birmingham, Boswell, Cameron, Fisher, Heffernan, Humphries, Joyce, Ludlam, Macdonald, McEwen, Payne, Siewert, Troeth and Wortley.

SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES

In Attendance

Senator Conroy, Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity

Senator Farrell, Parliamentary Secretary for Sustainability and Urban Water

Department of Sustainability, Environment, Water, Population and Communities

Executive

Dr Paul Grimes, Acting Secretary

Ms Kimberley Dripps, Deputy Secretary

Dr David Parker, Deputy Secretary

Mr Mark Tucker, Deputy Secretary

Mr Malcolm Thompson, Deputy Secretary

Approvals and Wildlife Division

Ms Mary Colreavy, Acting First Assistant Secretary, Approvals and Wildlife Division

Mr Peter Burnett, First Assistant Secretary, Approvals and Wildlife Division

Ms Deb Callister, Acting Assistant Secretary, Wildlife Branch

Ms Vicki Middleton, Assistant Secretary, EPBC Taskforce Review Branch

Ms Carolyn Cameron, Assistant Secretary, Strategic Approaches and Species Management Branch

Dr Kathryn Collins, Assistant Secretary, Business Systems and Governance Branch

Ms Michelle Wicks, Assistant Secretary, Environment Assessments Branch 3

Ms Barbara Jones, Assistant Secretary, Environment Assessments Branch 1

Mr James Barker, Acting Assistant Secretary, Environment Assessments Branch 2

Ms Rose Webb, Assistant Secretary, Compliance and Enforcement Branch

Australian Antarctic Division

Mr John Gunn, Chief Scientist

Ms Lyn Maddock, Director

Dr Rob Wooding, General Manager, Support Centre

Mr Matthew Sutton, Finance Manager

Australian Government Land and Coasts

Mr Mark Flanigan, First Assistant Secretary

Dr Charlie Zammit, Assistant Secretary, Biodiversity and Conservation Branch

Ms Fiona Fraser, Acting Assistant Secretary, Indigenous Policy Branch

Dr Paul Salmond, Assistant Secretary, Policy and People Branch

Ms Claire Howlett, Assistant Secretary, Finance and Aquatics Branch

Business Improvement Division

Ms Catherine Skippington, First Assistant Secretary

Mr Aaron Hughes, Assistant Secretary, Governance Branch

Corporate Strategies Division

Mr Arthur Diakos, First Assistant Secretary

Environment Quality Division

Dr Diana Wright, First Assistant Secretary

Heritage Division

Dr Greg Terrill, Acting First Assistant Secretary

Mr Theo Hooy, Assistant Secretary

Mr Paul Murphy, Assistant Secretary

Mr Mark Nizette, Acting Assistant Secretary

Housing Supply and Affordability Division

Mr Sean Sullivan, First Assistant Secretary

Ms Susan Finnigan, Assistant Secretary, National Rental Affordability Scheme Branch

Ms Mary Wiley-Smith, Assistant Secretary, Housing Supply and Affordability Branch

Information Management Division

Alex Rankin, First Assistant Secretary

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

Mr Al Blake, Chief Information Officer

Marine Division

Mr Stephen Oxley, First Assistant Secretary

Ms Donna Petrachenko, First Assistant Secretary

Ms Lara Musgrave, Assistant Secretary, Tropical Marine Conservation Branch

Ms Christine Schweizer, Assistant Secretary, Marine Initiatives Branch

Mr Charlton Clark, Assistant Secretary, Temperate Marine Conservation Branch

Mr Nigel Routh, Assistant Secretary, Marine Biodiversity Policy Branch

Parks Australia Division

Mr Peter Cochrane, Director of National Parks

Policy and Communications Division

Mr Andrew McNee, Acting First Assistant Secretary

Ms Rachel Parry, Assistant Secretary, Communications and Ministerial Services Branch

Mr Anthony McGregor, Acting Assistant Secretary, Strategic Advice Branch

Supervising Scientist Division

Mr Alan Hughes, Supervising Scientist

Sustainable Population Taskforce

Mr Sean Sullivan, First Assistant Secretary

Mr James Tregurtha, Assistant Secretary

Water Efficiency Division

Ms Mary Harwood, First Assistant Secretary

Mr Colin Mues, Assistant Secretary, Water Recovery Branch

Mr Richard McLoughlin, Assistant Secretary, Irrigation Efficiency Northern Branch

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

Mr Nick Rayns, Assistant Secretary, Basin Communities and On-Farm Branch

Water Governance Division

Mr Ian Robinson, First Assistant Secretary

Ms Gayle Milnes, Assistant Secretary, Environmental Water Branch

Mr Steve Costello, Assistant Secretary, Urban Water Security Branch

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

Water Reform Division

Mr Tony Slatyer, First Assistant Secretary

Ms Kerry Smith, Assistant Secretary, Water Policy Branch

Mr Aidan Dalgliesh, Assistant Secretary, National Water Market Systems Branch

Ms Tanja Cvijanovic, Assistant Secretary, Aquatic Systems Health Branch

Mr Tim Fisher, Acting Assistant Secretary, Water Resources Branch

Bureau of Meteorology

Dr Neville Smith, Acting Director of Meteorology

Mr Mike Bergin, Acting Deputy Director, Corporate

Dr Rob Vertessy, Deputy Director, Climate and Water

Dr Ray Canterford, Deputy Director, Services

Mr Trevor Plowman, Assistant Director, Finance and Budgets

Great Barrier Reef Marine Park Authority

Dr Russell Reichelt, Chairman

Mr Bruce Elliot, General Manager, Corporate Services

Ms Margaret Johnson, General Manager, Communication and Policy Coordination

Mr Peter McGinnity, General Manager, Environment and Sustainability

Mr Jon Day, Acting General Manager, Marine Park Management

Murray Darling Basin Authority

Mr Rob Freeman, Chief Executive

Dr Fraser MacLeod, Executive Director, Basin Plan

Ms Jody Swirepik, Executive Director, Natural Resource Management

Mr Frank Nicholas, Executive Director, Corporate Services

National Water Commission

Mr James Cameron, Acting Chief Executive Officer

Ms Kerry Olsson, Acting Deputy Chief Executive Officer

Mr Matt Kendall, General Manager, Sustainable Water Management Group

Sydney Harbour Federation Trust

Mr Geoff Bailey, Executive Director

Committee met at 09:00

CHAIR (Senator Cameron): I declare open this public hearing of the Senate Environment and Communications Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2011-12 for the portfolios of Broadband, Communication and the Digital Economy; Climate Change and Energy Efficiency; and Sustainability; Environment, Water, Population and Communities, and other related documents. The committee must report to the Senate on 21 June 2011. The committee has set Friday, 8 July 2011 as the date by which answers to questions on notice are to be returned. The committee will now begin its examination of the Sustainability, Environment, Water, Population and Communities portfolio.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I now incorporate in *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
 - (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

- (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
- (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

Department of Sustainability, Environment, Water, Population and Communities

[09:02]

CHAIR: I welcome Senator the Hon. Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, representing the Minister for Sustainability, Environment, Water, Population and Communities; and portfolio officers. Minister, would you like to make an opening statement?

Senator Conroy: No, thank you

CHAIR: Dr Grimes?

Dr Grimes: No, Thank you.

CHAIR: I will call agencies in accordance with the circulated program, and I now invite general questions of the department.

Senator FISHER: Thanks, Chair. Let's start with the very disappointing and appalling—disappointing is an understatement—state of affairs with, and you have to be expecting it, questions on notice. There are 79 questions on notice and not a one was answered at the time that I sought an explanation as to the fact from the minister when the Senate last sat. Fifty or so were answered yesterday. Please explain.

Senator Conroy: What? Can't you read them? Do you want me to read them out?

Senator FISHER: Please explain. You can answer for the department, if you like, Minister. Please explain why—

Senator Conroy: I understand that answers to 52 questions have been tabled and answers to the remaining 27 are expected to be tabled at the first opportunity this morning. That is the latest information I have received from the minister's officers.

Senator FISHER: Oh, fabulous! I do understand that it is not your office itself, Minister, but that you are representing someone else in this place. But we are often criticised for essentially double counting or asking a large number of questions on notice. It makes it a little difficult for us to help you do your job efficiently if—

Senator Conroy: I do not think that there is anything you could do to help Minister Burke do his job efficiently, but it is kind of you to offer.

Senator FISHER: you fail to answer or fail to provide us with answers to our questions in time for us to consider the answers. Can you please explain why it was not until yesterday that the committee received some 50 or so of the 79 answers to the 79 questions—some six weeks after time.

Senator Conroy: Well, you have received 52 of them and there are 27 outstanding at this point in time. That is my understanding.

Senator FISHER: Can you explain why we got 52 yesterday?

Senator Conroy: We will seek to get some further information from the minister's office for you.

Senator FISHER: Oh, goodness! On 12 May, Minister, you told me:

... responses to these questions are under consideration and are being carefully checked to ensure the information provided is accurate and addresses that matters raised.

Were our questions so probing? So complex—

Senator Conroy: Look, that is a matter of opinion. But, if there is any further information I can add to my answer I have given you already, I will supply it to you.

Senator IAN MACDONALD: Minister, is there some reason why this department thinks that it is beyond the call of the Senate? The Senate has passed resolutions that these questions shall be answered by a date, which, if the secretariat can help me, was—

Senator FISHER: It was 8 April.

Senator IAN MACDONALD: Is there some reason why this department thinks that it does not have any obligation to abide by a Senate ruling? Is there something about this department which sets it apart? Is there something about this minister and the arrogance of this government so that the resolutions of the Senate are just treated with disdain? Is there something about that this department, or is this just the general arrogance of the current government?

Senator Conroy: As I said, if there is any more information that I am able to gather for you, I will give it to you in the course of the morning.

Senator IAN MACDONALD: Can I ask the secretary why it was that relatively simple questions could not be answered before yesterday. For example, some of the answers that I

have got from the Bureau of Meteorology—the ones that I got yesterday—would not have taken five minutes to prepare and type out.

Senator FISHER: They were being carefully checked to ensure the information provided was correct, Senator!

CHAIR: Can we have one set of questions to the witnesses.

Senator Conroy: I appreciate that Senator Fisher has passed the answer on to Senator Macdonald.

Senator IAN MACDONALD: I am asking Dr Grimes. Is there some reason why these relatively simple questions could not be answered before yesterday?

Dr Grimes: I do not think that I can add more to the response that was provided to the Senate—that is, the questions were being reviewed and checked prior to their submission.

Senator IAN MACDONALD: Do you take any notice of resolutions of the Senate?

Dr Grimes: Yes, indeed we do.

Senator IAN MACDONALD: This is one of the answers I got from the bureau. I asked for a critique of a three-paragraph statement. What I got back, which was a most unhelpful answer, was, ‘Here is a group of websites. You check it out yourself.’ Now, that could have been done in five minutes.

Dr Grimes: Senator, I can only answer—

Senator Conroy: We wanted to make sure that they were the correct websites to refer you to.

Senator IAN MACDONALD: Minister, you treat this with absolute humour and disdain. That is typical of this government.

CHAIR: Who wants the call from the opposition?

Senator FISHER: They are sharing it quite well, Chair.

CHAIR: There will be one person with the call. If you want the call, seek the call through the chair. I am not having this tag team approach.

Senator BIRMINGHAM: Minister, your department, to its slight credit, at least had the courtesy to write a letter a few weeks ago to this committee saying that they have so many questions they are not going to be able to get them all answered on time. Whilst I am not satisfied with that, at least we got the courtesy of that from the secretary of your own department. Yesterday we had the Department of Climate Change and Energy Efficiency, who were asked almost the exact same number of questions as the department of sustainability, environment et cetera. They managed to answer all of their questions before this department could give us one answer—one singular response. Again, some of their answers only came yesterday morning, but we still got them before we got SEWPaC's. So quite clearly there is something at odds with what is going on either with this department or with the responsible minister in terms of getting these answers through. This was not an unusual number of questions; there were 79 questions. We are not talking about a huge response. It is not the type of number, indeed, that your own department has to answer. So it is not a large number. They were spread across agencies. In fact, very few were directed to the department—somewhat, particularly in the water division, but otherwise there are decent

numbers for the Bureau of Meteorology and decent numbers for GBRMPA. They were spread about and there was not a large workload for any officer. The question is: when did the department provide all of the responses to these questions?

Dr Grimes: The department provided responses to the questions in early April, with the exception of one question which required consultation with another government. Those questions were submitted for final review by the minister prior to being lodged with the Senate.

Senator BIRMINGHAM: So all but one question were provided to the minister in early April, and here we are in late May and we have only had 52 of them provided to the committee yesterday and 27 still outstanding. So, Senator Conroy, can you, rather than just noting the concerns, actually take this issue to Minister Burke and find out what on earth is going on in his office as to why he cannot manage to process responses to estimates questions? He is putting Dr Grimes and this entire department in a most awkward situation. Transparently it is not their fault. Why is the minister unable to do this work? And if he is not able to do his work, he should not be the minister.

Senator Conroy: Well, thank you for raising the issue. As I said, if there is any further information that I can gain from Minister Burke's office in the course of the morning, I will seek to pass it on to you. I will take up your invitation to raise it with his office at the morning break and I will see what information I can gather.

Senator BIRMINGHAM: Thank you, Senator Conroy, because it puts you in an awkward position as well.

Senator FISHER: Dr Grimes, if the department provided the responses to the minister's office in early April, obviously that was in time, in the view of the department, to comply with the 8 April deadline for a response. Is that correct?

Dr Grimes: Senator, we made our best endeavours to provide material as soon as we could, but we do recognise that questions do need to be checked and reviewed before they are submitted to the committee.

Senator FISHER: So there was time for that to happen, in your view, in the time in which the department submitted all but the one of the 79 answers to Minister Burke's office?

Senator Conroy: You are not in a position to invite the officer to give his view or opinion. You can ask him a matter of fact.

Dr Grimes: I have nothing to add to what the minister has said.

Senator FISHER: Did the department provide the draft answers to the minister's office in time for the 8 April deadline to be met?

Dr Grimes: With the exception of one question on notice, the department provided questions prior to 8 April.

Senator FISHER: So, yes. Thank you. You mentioned that you recognise that they need to be checked. Were any of the answers sent back to the department from the minister's office?

Dr Grimes: It is not unusual through the process for there to be some comments on answers before they are finalised.

Senator FISHER: Did that happen in this case, and if so to how many answers?

Dr Grimes: I do not have—

Senator Conroy: I am not sure you are entitled to ask what is passed backwards and forwards between the minister's office—

Senator FISHER: It is a question of process, Minister.

Senator Conroy: No. You can ask 'when'; you can't ask 'what'.

Senator FISHER: I have asked how many, and I am entitled to ask that. I have not asked 'what'.

Dr Grimes: I understand that there may have been something in the order of a dozen or so questions on notice that may have been subject to comments before being finalised.

Senator FISHER: Okay. If on notice you could confirm that number—approximately a dozen out of 79. When did the department then return those approximately a dozen to the minister's office?

Dr Grimes: I would have to take very precise details like that on notice and come back to you later today with a response.

Senator FISHER: Okay. Thank you. Of the still outstanding 27, are the answers to all of those with the ministers office?

Dr Grimes: In my response previously I indicated that draft questions on notice were provided prior to 8 April, with the exception of a question that required consultation with another government.

Senator FISHER: You did. So they are all with Captain Chaos. Let's hope that he can sort out his office to have some attention to the information that is sought by this committee.

CHAIR: Have you got a question, Senator Fisher, or just a comment?

Senator IAN MACDONALD: This is perhaps something for a private meeting of the committee. This committee, particularly the Greens element of it, should really refuse to deal with any legislation of this department until such time as it can get its house in order. But that is a matter for—

CHAIR: I'm afraid that I will not be taking political advice from you, Senator.

Senator Conroy: And that would be different from now?

Senator IAN MACDONALD: That is a matter for a private meeting of the committee. I just alert the Chair to the fact that I will be raising that. Dr Grimes, I appreciate from what you have said that this is not your department but rather your minister that is treating the Senate with contempt.

Dr Grimes: Senator, I have not said that.

Senator IAN MACDONALD: No, I said that I appreciate that it is not your department that is ignoring the rules of the Senate; it is clearly the minister who is treating the Senate with absolute arrogance and contempt. You do not speak for him. The minister at the table should, but he has obviously had his riding instructions. Dr Grimes, I asked a question—and I will raise this at the appropriate time—in relation to the answering to questions about the Reef and Rainforest Research Centre. I was told that a tender was about to be announced, and that is fair enough. I asked if it will be before the next estimates and they said, yes, it will be. I said 'Can you make sure that I know about who won the tender, and can I get a copy of the press

release?' Nothing very tricky about that. The answer has come: 'A tender process was completed and the winner was blah.' That is the answer. Why would it possibly have taken until yesterday to get me that simple answer? There is not a smidgen of politics in it. It is purely factual. I am sure that it is the first one that your department would have been able to answer. Is there any reason that you can see why that particular answer was not made available to me the day after last estimates.

Dr Grimes: I have described the process that was followed. I do not think I have anything more to add to what I have already been able to provide to you.

Senator IAN MACDONALD: Does your department have a lot of legislation planned for the next session of parliament?

Dr Grimes: We do have some legislation, but I could not give you an accurate reading of precisely what legislation we have at this stage. Mr Thompson will be able to provide that information.

Mr Thompson: We do. In particular, the Product Stewardship Bill 2011, which is before the Senate at the moment. Beyond that we do not have a large legislative program planned at this stage as far as I know. There may be some other amendment bills going through.

Senator IAN MACDONALD: Are any of the bills time critical?

Mr Thompson: The Product Stewardship Bill is time critical.

Senator IAN MACDONALD: What is the time critical nature of that?

Mr Thompson: That bill needs to be through the parliament in order to establish regulations for product stewardship arrangements for TVs and computers, which the government is committed to having in place by the end of this year.

Senator IAN MACDONALD: The end of this financial year?

Mr Thompson: The end of this calendar year.

Senator IAN MACDONALD: That does not seem terribly time critical. So the minister will be wanting the Senate to deal with that expeditiously. It will be my urging to the committee that the Senate should treat that time criticality in the same way as this committee is treated in relation to time critical answers to questions. Dr Grimes, can you just tell me the process of questions taken on notice? Obviously, straight after estimates you collate the questions. Do they then go to the relevant line area?

Dr Grimes: That is correct, Senator. We collate the questions and make sure that they are allocated out to the relevant areas. Those questions are then drafted and cleared through the department.

Senator IAN MACDONALD: Okay. And when you send them out to the particular areas of the department, is there a specific mention by you or by whoever sends them out that these questions, according to the bylaws of the Senate, need to be answered by a certain date?

Dr Grimes: Yes, Senator. In our internal processes we endeavour, to the best of our ability, to meet the timeframe in our own planning.

Senator IAN MACDONALD: If in the process of doing this the answers are not back in the time, is it the department's practice for senior officer to get onto the line area and say, 'Hurry up; you only have a day or two left'?

Dr Grimes: Yes, we do ensure within the department that there is a follow-up on the production of questions on notice.

Senator IAN MACDONALD: In your advice to the minister after they have been delivered—as gently and respectfully as I know the officers would be—are reminders sent to the minister's office that perhaps—

Senator Conroy: So you are now asking about the content of communications. You can ask about when the communications were sent; you cannot ask about the content.

Senator IAN MACDONALD: Can I ask if the minister is sent reminders just to help him out—

Senator Conroy: Again, you are asking him to confirm what the content of a message was.

Senator FISHER: Well, it is a process.

Senator IAN MACDONALD: Minister, you are technically correct, but—

Senator Conroy: I am sure if you keep going you will find a way to ask the question!

Senator IAN MACDONALD: Exactly, but I will do it in a different way so we just waste five minutes with a stupid, with respect—

CHAIR: Senator Macdonald does not need any help.

Senator Conroy: You cannot ask the officers to give their opinion or comment on content. They are just the rules.

Senator IAN MACDONALD: Did you send any messages—do not tell me what was in them—to the minister about questions on notice subsequent to the cut-off date?

Senator Conroy: Dr Grimes has outlined the process that he went through to advise—

Senator IAN MACDONALD: I am asking if he sent messages.

Senator Conroy: No, you then went on to say 'about'. So you want him to confirm what was in a message he sent.

Senator IAN MACDONALD: About questions from the Senate, Minister. I am sure he has sent the minister plenty of messages about a range of issues that the department follows. I am asking about questions on notice at estimates.

Senator Conroy: I am sure that Minister Burke's office is aware of the timelines passed by the Senate. I am sure he is aware. I think it was Senator Fisher who raised the questions in the Senate recently. I am not sure if it was you or one of your colleagues who raised these particular questions. So I am sure that Minister Burke's office is aware of the timelines. I am sure that while Dr Grimes is very helpful on a whole range of issues, there is only so much that Dr Grimes is in a position to do other than to draw to people's attention Senator Fisher's comment in the Senate.

Senator BIRMINGHAM: So the incompetence lies squarely at the feet of the minister?

Senator Conroy: That is an opinion of yours, Senator Birmingham, which I would not share.

Senator BIRMINGHAM: I think that is pretty much where you are pointing at, Senator Conroy, and that is just fine for you to point at that direction. There have been various reports of staff turnover in his office and so on, so I guess they could all be factors.

Senator IAN MACDONALD: Perhaps the minister has got too big a portfolio. Dr Grimes, have messages about questions been sent from the department to the minister subsequent to 8 April. I am not asking what was in those messages.

Senator Conroy: Yes, you are. You have just defined what was in them. You said, 'Did you send this message?'

Senator IAN MACDONALD: Minister, as I explained before, I am sure that Dr Grimes sends lots of messages to the minister. I am not asking about those; I am asking about anything—

Senator Conroy: I am sure the minister is fully aware of the timelines. There was a recent debate in the Senate on this. Following that debate, I raised with Mr Burke's office what had happened in the Senate and kept him fully informed.

Senator IAN MACDONALD: Well, Minister, perhaps I should ask you. Were you given any explanation by the minister's office why he was ignoring and treating with contempt the rules of the Senate?

Senator Conroy: As I said to you, there were 79 questions and 52 have now been tabled. We are expecting 27 shortly. If there is any further information I can provide from the minister's office, then I will do so.

Senator IAN MACDONALD: That was not the question. I said, when you raised this with the minister's office, did you get any explanation of why the rules of the Senate could be treated with such contempt and arrogance by a minister who is clearly beyond his capabilities?

Senator Conroy: I am sure, Senator Macdonald, you would never reveal a conversation between yourself when you were a minister and your colleagues. I am sure you would not expect me to.

Senator IAN MACDONALD: It may be that Mr Burke has an exceptionally good reason, and I am giving you the opportunity to explain to the Senate what Mr Burke's reason might have been when, as you say, you contacted him a couple of times. I am sure Dr Grimes contacted him a couple of times. Surely he must have had an explanation. Was he too busy partying on somewhere or was he—

Senator Conroy: Senator Macdonald, I do not think you should try to cast aspersions like that.

Senator IAN MACDONALD: I am inviting you to explain—

Senator Conroy: No, you are casting aspersions, and I think it is unparliamentarily.

Senator IAN MACDONALD: I am inviting you to explain and to offer us the minister's explanation. Could he just not be bothered? Was he too busy trying to get the numbers for Julia Gillard so she wasn't stabbed in the back? Did he give a reason why he could not answer the most simple questions?

Senator Conroy: As I said, Senator Macdonald, I am happy to raise the issue and draw to the attention of the minister your questions and your line of questioning. If there is any further information I can provide you with in the course of the day, I will provide it to you.

Senator IAN MACDONALD: But, Minister, you understand that that is little comfort, because you say you have already done that two or three times, and he has ignored and treated the Senate with contempt in the past. What makes you think that if you ask him again it is going to have any different result to what you have got in the past?

Senator Conroy: I doubt that there is anything I could ever do to give you comfort, Senator Macdonald, so I try not to set that as the bar of achievement.

Senator IAN MACDONALD: Do you have any standing? I think you do; you are fourth in line in the Gillard government in order of seniority. Are you able as a senior minister to give your junior colleague Mr Burke some instructions about the seriousness of ignoring the wishes—and, indeed, more than the wishes; the rules—of the Senate in relation to answering questions?

Senator Conroy: I am sure, following on from a range of information from the last Senate estimates, this Senate estimates and recent debates in the Senate, that Mr Burke is fully aware of all of the issues you are describing. I do not seek to lecture my cabinet colleagues, and I do not consider Mr Burke my junior.

Senator IAN MACDONALD: You are No. 4 in the Gillard government, as I understand, as Deputy Leader of the Senate.

Senator Conroy: That is the rumour.

Senator IAN MACDONALD: I must say that I treat it with some amazement, but that is the fact of the matter. In that capacity surely you would like to assist your government in avoiding the label of being arrogant and contemptuous of the Parliament of Australia?

Senator Conroy: I think your attempts to portray the government in that way will continue irrespective of whether you have answers or not, Senator Macdonald.

Senator IAN MACDONALD: They are not my attempts; they are a matter of fact.

Senator Conroy: No, they are your opinion.

Senator IAN MACDONALD: Rules of the Senate are treated with contempt by the ministers of the Gillard government. It is typical. Anyhow, I do not think I can take it any further.

Senator BIRMINGHAM: Can I inquire of the department why, across three of your five outcome areas, the department will be increasing staff numbers this year. They stay static in one and they drop a little in another, leading to a net gain of 37 additional full-time equivalents. What is the need for that growth in staffing?

Dr Grimes: The staffing profile that we have in the forward estimates reflects a variety of things, including new functions being taken on by the department. As you are aware, the department has taken on responsibility for population and communities type functions. So part of the increase relates to initiatives around population measures and the sustainable population strategy. In addition, there is underlying provision for the ongoing administration of our water programs as they ramp up over the forward estimates. That reflects past decisions that have been made.

Senator BIRMINGHAM: You are not suggesting though that the 2010-11 actual average staffing levels did not reflect the additional portfolio responsibilities that were transferred across to the department?

Dr Grimes: Those responsibilities were only transferred across part way through the year, and indeed consideration of our longer term staffing in those areas was something that was considered in this budget rather than prior to that. The only element that had been transferred to those components was some one-off resources just in 2010-11 relating to a task force that was in Treasury. Indeed, all of the staff that had been involved in that group—and it was only a small group—have returned to the Treasury; at least, that is my understanding.

Senator BIRMINGHAM: What programs or policy areas do you expect to shed beyond 2011-12?

Dr Grimes: I am not sure that I quite get the nub of your question.

Senator BIRMINGHAM: You need 37 extra staff from 2010-11 to 2011-12 to be able to fulfil the policy and program areas that the department has and its priorities. What areas, policies or programs are you expecting to shed beyond 2011-12 to meet the department's employment budgets?

Dr Grimes: We are not anticipating to shed a particular policy area or responsibility. There are in our budgets some areas where there has been funding provided previously that was terminating in 2010-11. One area where there is a terminating program in 2010-11 relates to the Distinctively Australian program, which was focused on heritage matters. As a result, we have some adjustment in the heritage budget for that, which we are currently finalising at this stage. But that is reflecting a termination of funding in this year, so there will be a step down in funding next year.

Senator BIRMINGHAM: That is dealt with, I think, in outcome 5 and the reduction of staff and activities. I draw your attention to table 3.2.3 in the PBS at page 80 and the top line there, 'Employee benefits', the estimated actual for 2010-11 being a little over \$212 million, for 2011-12 jumping up more than \$20 million to \$233 million but then in 2012-13 dropping down more than \$33 million to \$200 million, dropping down to \$196 million and \$195 million into the outyears. So the department obviously is expecting to lose between 2011-12 and 2012-13 all of those 37 net additional staff they are gaining this year and some more, I assume from those estimates. Do you have particular figures on how they translate to staff numbers?

Dr Grimes: We have not done the calculations for staff numbers beyond 2011-12. We would not normally do them. We normally do that as part of our annual budget planning process. But you are correct in pointing to the fact that there is a step down in funding from 2011-12 to 2012-13. In the ordinary course of events we will need to be reducing our staffing in order to meet those forward estimates. I think I alluded to the fact that the funding that has been provided to the department for water programs recognises in the early years of those programs that there is going to be a greater amount of work than when the programs come into a more mature state and in the full rollout stage. You would expect that at that time there would be some step down in activity within the department.

Senator BIRMINGHAM: We will come to the water programs tomorrow, Dr Grimes. But my understanding of the water programs is that the 2012-13 year is going to be fairly

critical. Buybacks are still occurring at a significant level in 2012-13, your infrastructure spending might actually start to see the light of day in 2012-13—which has been long awaited—and there is the finalisation of the Murray-Darling Basin Plan. In fact, the MDBA will be needing to assess all of the individual state basin plans and you will need to be providing advice to the minister on all of those state basin plans. So I am not sure that I see between 2011-12 and 2012-13 enormous savings in the water area as an example of where government may peak. I understand that you are being driven by the efficiency dividend that the government has applied, but the concern here is that figures are put into the budget—and you have a figure here that equates to shedding about the equivalent of 50 FTE positions across the department—yet there appears to be no strategy or direction as to where they are going to be shed in a little over a year's time.

Dr Grimes: No, quite the contrary. We definitely are aware of what our budget forward estimates mean and we recognise the need to plan effectively for that. You are right in pointing out that there will be substantial ongoing activities for the department in relation to water matters in 2012-13. There is no doubt about that. However, it is also true that the core infrastructure spending is on programs that are being administered by the states. A lot of our most heavy and intensive work is early on through the assessment processes in the early years of the program. Once those programs have been fully assessed and agreed, a lot of the work on the infrastructure programs then moves over to the states to administer. I am not saying that we are going to be withdrawing altogether. As you know, there is still going to be a considerable amount of work for the department. But that is certainly factored into ongoing funding for the department for water matters.

Senator BIRMINGHAM: Does the department, in regard to the application of the efficiency dividend, have any target areas in mind or any idea of what the impacts of that application will be?

Dr Grimes: We are quite accustomed to having to deal with efficiency dividends being applied to the department. Our normal arrangements are to ensure that we have fairly thorough internal processes to review our budgets before the commencement of the next financial year. We are currently in the process of finalising our internal allocations within the department for 2011-12.

Senator BIRMINGHAM: That was not a particularly specific answer, Dr Grimes.

Dr Grimes: I think that it recognises that the approaches that you take to cutting your cloth are very much a whole range of strategies that the department puts in place. That is certainly true of us; we look right across the board. So that is why I am answering in a general way, because it actually reflects the reality of how we undertake the internal budget assessments.

Senator BIRMINGHAM: Can I ask some general questions about staff turnover in the department, particularly at the executive level. How many SES staff does the department employ?

Dr Grimes: I do not have the specific number here in front of me. But our SES staffing is in the order of 72 or 73.

Senator BIRMINGHAM: That is directly employed by the department?

Dr Grimes: That is directly employed by the department, yes.

Senator BIRMINGHAM: How great has the turnover been over the last 12 months?

Dr Grimes: I do not have the figures here. We can certainly get them for you. I do not think it has been particularly noticeably high over the last year. Obviously there has been some turnover, but a lot of our SES staff were here 12 months ago.

Senator BIRMINGHAM: If you could advise me of the numbers turned over, in which sections of the department those turnovers have occurred, and if you are able to do it in the course of the morning, even better.

Dr Grimes: We would be happy to do that.

Senator BIRMINGHAM: Thank you. Thanks, Chair.

CHAIR: Mr Grimes, in the last estimates hearing we had some debate about the effect that a reduction in 12,000 public servants would have across the Public Service. Were you here for that debate?

Dr Grimes: I think that I can only vaguely remember it. I apologise for that.

CHAIR: Because part of the coalition's policy going to the election was to reduce the amount of public servants by 12,000. A reduction of 12,000 would have a significant effect if your department were to accept its share of that, wouldn't it?

Dr Grimes: I do not think that I can comment on possible future policies or speculated policies.

CHAIR: That is fine.

Senator IAN MACDONALD: Does your department have a specific budget for hospitality?

Dr Grimes: We do not maintain a specific budget for hospitality within our budget—at least not to the best of my knowledge. Any hospitality would need to be managed by the relevant divisions within their existing budgets.

Senator IAN MACDONALD: Does the minister's office hospitality budget come through your department or is that in some other—

Dr Grimes: Mr Thompson will be able to answer that.

Mr Thompson: Some of that expense would come through the department, but the Department of Finance and Deregulation also covers the cost of some official hospitality expenditure incurred by the minister and the parliamentary secretary.

Senator IAN MACDONALD: Just remind us of the division between what the department provides and what the Department of Finance provides.

Mr Thompson: I would have to take that on notice.

Senator IAN MACDONALD: What aspect of hospitality does your department provide?

Mr Thompson: For the minister?

Senator IAN MACDONALD: Yes.

Mr Thompson: Again, I would have to take that on notice. I am not sure of the clear division in terms of functions, or that sort of thing.

Senator IAN MACDONALD: I appreciate that you do not have the division, but do you have any details of the sort of hospitality you have provided?

Mr Thompson: According to our records, no hospitality expenses have been incurred by any of the offices of the portfolio ministers during 2009-10 or 2010-11. That is part of the reason I am struggling.

Senator IAN MACDONALD: Does the department itself, as opposed to the minister, have a separate hospitality budget?

Mr Thompson: I am not aware that we have a separate hospitality budget. We cover those expenses and monitor them through the course of the year.

Senator IAN MACDONALD: Where do they come from when they are incurred?

Mr Thompson: They come from the divisional budgets, as far as I understand, but they are reported centrally.

Senator IAN MACDONALD: I know that the Climate Commission report is not your department but, I cannot think of an example that your department has done. But I am sure there would be similar things that come out of the general line item for a particular program or event.

Mr Thompson: That is right.

Senator IAN MACDONALD: That is all I have.

CHAIR: Can you give us the details of the time sensitivity issues on the Product Stewardship Bill?

Dr Grimes: Mr Thompson would be happy to run you through that.

Mr Thompson: We can cover this more in outcome 2, but just briefly—

Senator Conroy: That would be the right place.

Mr Thompson: The bill itself is framework legislation which establishes the capacity for voluntary, joint and mandatory product stewardship arrangements for products. We need that legislation to be in place in order to set up the regulations which will cover individual product stewardship schemes which sit underneath that legislation. The first cab off the rank in terms of product stewardship schemes will be the television and computer e-waste product stewardship scheme, which the government has indicated it wants to have up and running by the end of this calendar year.

CHAIR: That is the first cab off the rank in terms of the Product Stewardship Bill?

Mr Thompson: It will be the first set of regulations relating to a specific product set—for TVs and computers.

CHAIR: Do you have any idea how much waste there is in TVs and computers?

Mr Thompson: I do not have those notes in front of me at the moment, but I would be happy to answer that question in outcome 2, if that is all right.

CHAIR: But it is seen as important to remove as much waste from TVs and computers as we possibly can?

Mr Thompson: And to reuse it as much as possible.

Senator BIRMINGHAM: Chair, I think the witness is making it clear that it is wise to deal with these issues in outcome 2.

CHAIR: You guys raised the issue.

Senator BIRMINGHAM: No.

CHAIR: I am happy to deal with that in outcome 2. If there are no more general questions, we will move to the next area, which is outcome 1, the conservation and protection of Australia's terrestrial and marine biodiversity ecosystems.

Sydney Harbour Federation Trust

[09:46]

CHAIR: Welcome. Mr Bailey, do you have an opening statement?

Mr Bailey: No.

CHAIR: I now invite questions.

Senator BIRMINGHAM: Mr Bailey, as always. 2011-12 is starting as a big year for the trust. This is a big year when you move to the major decontamination stage, I gather, for HMAS Platypus and activities.

Mr Bailey: Yes. For Platypus it is a big year. We have been involved already in detailed decontamination work on Platypus, and that will progress for the next 18 months.

Senator BIRMINGHAM: That is the main activity of the trust for this year?

Mr Bailey: It depends on how you define the main activity. It is certainly the largest capital works expenditure activity. It is certainly not the preoccupation of the trust, given that on the other trust sites the capital works program has been winding down. Many of the sites are now tenanted. We have been redirecting our focus towards delivering public programs and developing ways to attract more people to our sites.

Senator BIRMINGHAM: How does the trust measure visitor numbers?

Mr Bailey: It varies from site to site. It is difficult on many of the sites because their boundaries are so permeable, so people can enter from a variety of ways. We have found it difficult to obtain accurate calculations. It becomes a formula where you do counts on particular days and then apply a factor across the site. Cockatoo Island is the exception to that. There is really only one way in and one way out on the main wharf. We have counters on that wharf and we are able to provide much more accurate data on the visitation on that island.

Senator BIRMINGHAM: What are your trends and targets in relation to visitor numbers there?

Mr Bailey: In this year just past we had over 200,000 visitors to the island. I cannot recall the exact number but it was around 210,000. We hope to push that up to over 300,000 within the next 12 months and further up to 400,000 in the next two years. Certainly all the signs are that that trend is continuing up. The thing to say about that is that it is not uniform over a year. Visitation numbers tend to reflect the major events that happen on the island, so they come in clumps.

Senator BIRMINGHAM: That is a significant pattern of growth. From an infrastructure and facilities perspective, is the trust able to manage that level of growth in visitor numbers?

Mr Bailey: From the trust's point of view, absolutely. The key limiting factor is the transport, the ferries. We have been in negotiations with Sydney Ferries for some years now, and the intensity of the service that they offer has been gradually improving. We would

always like it to be better, but at the moment there is a ferry service on average hourly and sometimes more frequently than that depending on the time of day.

Senator BIRMINGHAM: Have you met with the new New South Wales government in regards to their support for the trust's activities, be they on those ferry issues or in other ways?

Mr Bailey: We have had a number of meetings with Sydney Ferries and we have had a good relationship with them for a long time. We have had officer level meetings with the relevant agencies that we intersect with. The key ones are Events New South Wales and Tourism NSW. They just recently had, with Tourism Australia, the Australian Tourism Exchange, which is the biggest calendar event for the tourism industry in Australia. The main party for that was held on Cockatoo Island, with 2,000 international guests coming to that.

Senator BIRMINGHAM: I have attended a number of ATEs in different jobs over the years and can attest to their importance in the tourism industry. So I am sure that that was a significant coup, managing to hold that event on Cockatoo Island. I gather that Defence has finalised their move out of the North Fort complex at North Head?

Mr Bailey: They have. There is still a presence there in a very minor form. They are in the final throes of packing up. The staff have pretty much left. I think there is one person there still finalising the last move. When I last checked, the last of the containers had been packed up and were sitting there waiting to be removed. The small amount of decontamination work has been completed and we expect they will be gone within the next week or two.

Senator BIRMINGHAM: Is there a particular date for an expected handover on that site?

Mr Bailey: The handover has been progressive, and some weeks ago we received the keys from Defence. So we have been, in effect, responsible for the day-to-day management of the site now—so the cleaning contracts, the security and all of those things, the trust has had now for some weeks.

Senator BIRMINGHAM: What is the long-term plan of the trust for that site?

Mr Bailey: The site is a spectacular site—I do not know if you are familiar with it, but it has—

Senator BIRMINGHAM: I have walked around the perimeter.

Mr Bailey: It has very grand views back to the city. It is a slightly sloping site that slopes away from the road, and it has a number of rather prosaic unattractive sheds and developments from Defence use. The plans are to do a general tidy-up, remove some of the more unsympathetic additions that are there, re-landscape the area and improve the availability of car parking and basic human services—toilets and those sorts of things. But beyond that there is no major plans other than to have it open as it is now to the public at all times.

Senator BIRMINGHAM: Do you have any estimate in terms of the built footprint of the site as to how much that will be reduced by in terms of getting rid of those unattractive sheds?

Mr Bailey: I do not have an estimate, although I can get back to you on that. The key point that I would make is that rather than just demolishing buildings that are unattractive, the trust has developed a habit, I suppose, of trying to convert them into something that is more attractive. The thing about some of those sheds is that, whilst unattractive at the moment, they

are spectacularly located and potentially will serve as great places for public activities—for functions and meetings and those sorts of things. In some cases we will not be removing them; we will be modifying them. As to the change in floor area, I would have to get back to you on that.

Senator BIRMINGHAM: The funding of the trust is now of course, blissfully for probably all concerned, off the Commonwealth's balance sheet. I see the trust expects to grow its revenue from around \$13 million in 2010-11 up to \$16 million in 2011-12. It is a good thing we do not have Senator Wong at the table today, as we did yesterday. Finance ministers get excited when they see that sort of growth in revenue! Mr Bailey, what is the main source for that growth in revenue?

Mr Bailey: The main source is an area on Middle Head which was the former Australian School of Pacific Administration, which has been restored over the last 12 to 18 months and will come on stream for rental in the next month or so. We already have a number of pre-lease agreements for parts of those properties and we expect that over the next few months we will have the whole lot leased. So the primary source of that income comes from the renting of quite a large area of buildings on Middle Head. There are other projected leases that we expect to be able to secure over the next two years.

Senator BIRMINGHAM: Overall is the main area of your income source now rental returns?

Mr Bailey: It is.

Senator BIRMINGHAM: How many different properties is the trust managing in that regard?

Mr Bailey: We have I think it is 110 separate leases at the moment. There are about 400 buildings that we manage. Not all of them will be leased by any means. There are some judgment calls on that. For example, our most sensitive heritage sites would not be ones that we would ever put on the market to lease, such as the convict buildings. Of course, when I say 400 I am counting things like gun emplacements and infrastructure like that. Overall I would expect we would lease in the end up to 200 buildings. That would be the most that would be available. But certainly the major revenue generating ones have probably already been leased with the exception of those on North Head which we think will still bring in significant lease returns.

Senator BIRMINGHAM: That is still a significant capacity growth if there is a total potential site of 200 buildings.

Mr Bailey: That is right. The other thing that I should mention is that we are very actively pursuing other revenue opportunities apart from leases. Leases will, as you say, remain a primary source but we would like to support that also with a range of licensing activities—filming and television shows, events, sponsorship for those events. We have some major ones coming up. And there are other business opportunities—for example, a campground and the accommodation that we run. At the moment the campground and accommodation generate revenues of a little over \$1 million a year, which is significant on our balance sheet. We are looking at every opportunity to boost those revenues from those sources.

Senator BIRMINGHAM: For the campground over the next 12 months, are there any decisions in relation to the fee structure to that site?

Mr Bailey: There is no proposed substantive change to the free structure at all. Even within that we have special events—for example, over 2,000 people come to the island for New Year's Eve. And I can recommend to all that it is a great place to watch the fireworks in Sydney.

Senator Farrell: If you can get on the island!

Mr Bailey: We will hold our fees from last year this year as well. So it is that balance between providing a service to the community at a modest charge but at the same time trying to generate sufficient revenue to run all of our operating expenses

Senator BIRMINGHAM: Excellent. Thank you, Mr Bailey.

CHAIR: Thanks. Mr Bailey, I am just having a look at your website trying to find what you say about the industrial heritage of Cockatoo Island and, certainly, the role of the trade union movement at Cockatoo Island, which was very influential and very important. I cannot see any of that in the sheets that go out to teachers and stuff. Or am I not just finding it?

Mr Bailey: I confess that it has been a while since I have looked at that aspect of our website, so I will need to check. I can say that the industrial heritage and the involvement of the union movement on Cockatoo Island play a prominent part in our guided tours of the site. If you visit the site, you will have the option of a free guided tour with a map and a brochure. It covers the industrial side of the island—as a shipyard, as a convict penitentiary—and there are elements that deal with the industrial relations history. We have extensive oral histories from a wide variety of people. We commenced that in the very early days of the trust. Those people are not getting any younger and some of them are passing on. We have a fantastic archive of audio oral histories from workers who were on the island. Many of our volunteers who work on the island now are former workers, so we have a great resource there. The final item on our to-do list is to prepare some form of detailed industrial history of the island in the 20th century, because it was Australia's largest shipyard for the 20th century and, as you say, is a very interesting place.

CHAIR: 'Interesting' is an understatement for Cockatoo Island. It was a key area of industrial activity in improving workers' rights—not only at Cockatoo but throughout the Sydney area. You can take this on notice: could you pool together a sort of mud map of how the industrial and trade union history of the island is remembered, and let me know why you cannot find it quickly when you go on the website, because it is a key part of Cockatoo Island. Thanks, Mr Bailey.

Mr Bailey: Thank you.

Senator WORTLEY: Mr Bailey, are you able to tell us about the progress of the program to protect the long-nosed bandicoots at North Head, Manly, from extinction?

Mr Bailey: We have a key relationship with the New South Wales National Parks and Wildlife Service. They have a threatened species protection plan in place which we are signatories to and which was developed in accordance with us. The population of the long-nosed bandicoot appears to have been reasonably stable for a long time. That does not mean it is high—variously, I am told it is borderline as a viable population. There are a range of management practices in place, such as monitoring road deaths and those sorts of things. There is a regular trapping and management program there.

The trust has its own program in place. It has contracted Australian Wildlife Conservancy to manage the bandicoot population and natural heritage issues in general. There are at least two staff full-time on site who spend their days dealing with bandicoot issues. In fact, this week the trust staff are all out spotlighting. They have been up all night trapping and counting bandicoots. So we like to engage all of our staff in those programs as well. It is an ongoing program. I guess the key to it is the threatened species management plan that we worked on with National Parks.

Senator WORTLEY: Thank you.

Senator BIRMINGHAM: Mr Bailey, you rely a lot on volunteers to assist with the tours in the different sites where you offer those tour services—is that right?

Mr Bailey: Yes.

Senator BIRMINGHAM: Are they almost exclusively volunteers?

Mr Bailey: Almost exclusively. We have a small number of paid guides, but that dates from a period in the trust's life when we wanted to get the sites open. For occupational health and safety reasons, we could not just open the gates, so in places like Cockatoo we needed guides who could do cardiac massage and whatever else was necessary, given that it is an island. Now, whilst we still have some guides, we do rely almost exclusively on volunteers, many of whom have a historical connection with the site. You asked about North Fort. The majority of the Army volunteers who were working and giving tours at North Fort have now transferred to the trust and have become, officially, trust volunteers and they work in our volunteer program.

Senator BIRMINGHAM: Do you have an estimate as to how many volunteers are involved?

Mr Bailey: All together we have—I can give you an exact number when I go back to the office—around 230 or 240 at moment.

Senator BIRMINGHAM: Please provide that on notice. I do not know whether it would help your visitor numbers, but perhaps Senator Cameron could duck down to Cockatoo Island on the weekend and provide some volunteer guiding to ensure that the trade union history is well understood!

CHAIR: I am happy to do that, but I never worked there. I did work at Garden Island, not Cockatoo Island. I definitely know of the history of Cockatoo Island—a very strong history and a very good history for working people. Mr Bailey, what are the implications of the World Heritage listing at Cockatoo Island for the machinery and equipment that is on the island?

Mr Bailey: I guess the general point to make about that is that the World Heritage listing relates to the convict site, the convict history of the island. Its later retentive use as a shipyard is, I suppose, less significant to that listing. The implication for the island and for the trust, I hope, is that it assists in raising the profile of the site. It is one of 11 convict sites around Australia that form part of that listing. We are always keen to raise the profile of the island in the public's consciousness. As far as the machinery is concerned, we place pretty much the same value on all aspects of the island. Some time ago, we went through a process of decontamination of and cleaning up a lot of that machinery, and retaining it in situ. Many of the volunteers have made the restoration of that machinery the key part of their program. We

are about to relaunch a very old steam crane that was built at Mort's Dock originally, in the 1890s. It is probably the oldest operating steam crane in Australia. So the short answer is that the machinery receives a lot of TLC and it has a lot of fans out there who are devoted to its protection and conservation.

CHAIR: What kind of feedback are you getting from schools in relation to the education program?

Mr Bailey: We have had good feedback. The big difficulty we face is the transport. We try to keep our costs as low as possible. But, just in the last few months, we did a detailed analysis of our education program, and we have decided to rejig it all. We do not want to offer the same old stuff that every other agency like us around Sydney is offering. We would like to tailor it directly to the experiences that one can have on our sites. We felt we were not doing that adequately, so in this current year I am doing a review of our education program. The program that was in place will continue, so we are not stopping it yet, but we hope that by the end of the year we will have an upgraded education program for which we can manage the costs a bit better. The feedback we get from those who come is invariably good. But it is one of those situations where people who are favourably impressed generally say so, but you do not hear from the ones who are indifferent. So we want to be better at analysing that data and getting more accurate feedback.

CHAIR: Who are you consulting with about the trade union history on the site for your education program?

Mr Bailey: A number of people who were central to the working of the island and who were also involved very closely in its trade union history have given us oral histories. We have also had a very close consultation with the CEO of the island, a fellow called John Jeremy, who was the CEO for many years and who was responsible for closing down the island.

CHAIR: He may have a biased view!

Mr Bailey: He will have a view.

CHAIR: I am not sure that would be the definitive view.

Mr Bailey: No, we certainly do not take it as the definitive view. Senator, if you can recommend any people in particular that you feel we need to talk to—

CHAIR: Mr Bailey, I will certainly give that some thought and I will take that on notice.

Mr Bailey: Thank you.

Senator WORTLEY: Mr Bailey, going back to the education program you were talking about, are you consulting with the schools that would normally attend, and also those that perhaps have not used the facilities previously?

Mr Bailey: Absolutely, we are—that is key to it—as is the education department in New South Wales. For us, the crucial point is to ensure that the programs we offer dovetail with the curriculum at various points and in various subjects—not only history but also geography and others—so that when teachers bring a class of students they know there is a direct connection with their curricula obligations. Yes, we are consulting with the schools as well. I should say that we are attracting a lot of schools from the non-government sector. We have been very

successful with that, but there are not as many as we would like from the government sector. So that is a key area that we want to develop.

Senator WORTLEY: Is the biggest challenge their cost?

Mr Bailey: Yes—hence the review.

Senator WORTLEY: Thanks.

Mr Bailey: It is \$10 to \$16 for a return ferry ticket for a student. It is a big hit. Before you even get there you have that cost.

Senator Farrell: Chair, Mr Bailey mentioned the restoration of some of the old machinery. On Monday, one of the old steam cranes, which has been restored, is going to be opened. If you like, I can get the details of that to you and the other members of the committee if you would like to come along. I can assure you, there will be a number of old unionists present at that event.

CHAIR: Perhaps some young unionists will be there as well!

Senator Farrell: Maybe some young ones as well.

CHAIR: Thank you very much, Senator Farrell. Thanks, Mr Bailey. You have exhausted the questions on that. Thank you for your appearance.

Bureau of Meteorology

[10.15]

CHAIR: I now call officers from the Bureau of Meteorology.

Dr Grimes: Chair, while the officers from the Bureau of Meteorology are making their way to the front—and I think the committee may be aware of this—I wish to pass on the apologies of the director, Greg Ayers, who is currently representing Australia at a world meteorological organisation meeting overseas and so is unable to be here today. He sends his apologies to the committee.

CHAIR: Yes, Dr Grimes, we are well aware of that commitment; thanks. Before we start, I acknowledge and welcome the Bangladeshi parliamentary delegation, MPs and staff, to the estimates hearing. Welcome to Australia. And welcome to the Bureau of Meteorology officers. Dr Smith, do you have an opening statement?

Dr Smith: No.

CHAIR: Senator Humphries.

Senator HUMPHRIES: Thank you, staff from BoM. Perhaps I could ask you about the network of automated weather stations and cooperative rainfall observers that Australia has deployed to deal with issues arising out of severe weather events. I went through a number of communities during the sitting break to talk to them about how adequate they felt the warnings they got had been during the recent flooding. Many communities reported severe concerns about the level of adequate warning. I realise that there is a combination of state and territory run infrastructure to deal with monitoring these sorts of events as well as the bureau's infrastructure. But do you feel BoM would have the capacity to deliver better warnings to people in many communities if the level of infrastructure that it operates was upgraded or those of others in this network was also upgraded?

Dr Smith: I will give a general response first and then I might pass over to my colleagues, who are much closer to this. As I think we discussed last time, the bureau has a very extensive network of observations—around 600 automatic weather stations. We are continually reviewing that. Certainly, since we went through the severe events of this year, we have been undergoing an internal review of just how those networks are serving our needs and whether we need to adjust them. In general terms, like every other service that is working with severe events, the more data we can collect, the more and better forecasts we can provide, and the better the service we can provide for the bureau. That is it in general terms, but the detailed reviews are underway now. I might pass to Dr Canterford and then to Dr Rob Vertessy, who are both working in this specific area.

Dr Canterford: Thank you, Dr Smith. Senator, you are correct. As Dr Smith mentioned, there are several reviews going on as a result of the inquiries that are happening in the various states. In some of those states, the networks are operated on a cooperative basis. The bureau owns and operates some of the stations. State governments have the responsibility for other stations, such as river height stations. We will be watching these inquiries. If there are requirements to improve warning services, we will look at how much of that is due to a need to improve or increase networks, or whether it is a need to increase communication on the ground to communities. It is a partnership that the bureau enters into.

Senator HUMPHRIES: Would you not say that the experience of this summer's disasters demonstrates pretty clearly that there is considerable opportunity to upgrade our systems?

Dr Canterford: Yes. I think the initial indications are that there are areas where there are gaps in networks. Some of these areas have not had flooding for many decades, for instance. Many of them are on record. What the network should be is often determined through a state committee, which the bureau is a member of. It involves the Commonwealth government, the bureau, the state governments and local governments. Where there is risk, there is obviously a very strong input to those committees through local government.

Senator HUMPHRIES: Those are the flood coordinating committees, I think they are called. You referred to them in an earlier answer you gave. They decide, essentially on a state-by-state basis, what is required?

Dr Canterford: Yes.

Senator HUMPHRIES: The problem with that process, as I understand it, is that you end up with decisions being made by a variety of agencies sitting around the table, including the Bureau of Meteorology, and there is no clear, decisive pathway as to who then provides the necessary infrastructure. If you decide, for example, that large areas of northern New South Wales are in need of an upgrade of monitoring equipment, there is no automatic process to determine which agency provides that equipment. It is not necessarily BoM, it is not necessarily local government bodies and it is not necessarily state government bodies, is it? A whole series of processes then begin in different agencies as to who might bid for additional resources to build or provide that sort of infrastructure. Would you accept that we need to rethink that process so that there is a coordinated exercise in determining what is required across the states at least, if not the nation as a whole, with respect to the provision of infrastructure to deal with these sorts of crises in the future?

Dr Canterford: I think that is a good question, Senator. It requires an opinion from me. In terms of the facts, there is a mechanism in place for that. Whether that needs to be changed, I suppose, is a matter for whole-of-government, COAG type arrangements, and the bureau would be part of that.

Senator HUMPHRIES: Fair enough. You said, Dr Smith, that a review is underway at the moment, arising from the recent flooding, to determine what shortfall or gaps might exist in BoM's network. Was a process previously underway to determine what areas of need BoM might have identified in its general network of weather stations around the nation?

Dr Smith: Yes, Senator. Almost annually, if not more often than that, we will go through our networks—particularly as we are going through our four-year plans, our strategic plans. One of the key things, because we operate a lot of infrastructure, is to review that infrastructure. Is it still fit for the purpose that we designed it for? Is it still efficient and effective? So, in a general sense, across the entire bureau, that happens as we go through every annual process. Regularly—I think the last time was back in about 2005-06—we went through the whole network in detail and did a very detailed study. One of the things we are considering now is whether it is timely. Again, as Dr Canterford has said, we do need to wait until we see the findings of, particularly, the commission of inquiry and others. Probably, when that does happen, we will go back and revisit some of the conclusions we had then to see whether perhaps we need to rethink the way we are doing some things.

Senator HUMPHRIES: Are any of those annual review outcomes available for public consumption? Can we see what you have produced by way of those reviews?

Dr Smith: The basic observing system study is public. The radar review, and our assessments of its status, is also a public document. In general, all those documents are public documents.

Senator HUMPHRIES: I assume it is on the website?

Dr Smith: I would say yes, but I would need to check. There is no reason why it should not be on our website.

Senator HUMPHRIES: If you could provide us with the links to the right area of the website or perhaps table the documents that demonstrate those annual reviews—say, for the last three years—that would be helpful. What does it cost to install an automatic weather station?

Dr Canterford: It varies a lot, as you can imagine—for example, if it is on an island or in a remote locality. I probably have some figures here within my papers, but I can give you an approximation. The core infrastructure for an automatic weather station is about \$50,000. If we add certain sensors to that—for instance, for aviation—it can come up to \$100,000. Of course, on top of that, you have communication costs for operating the system. That would be a standard installation of an automatic weather station which would report one-minute data.

Senator HUMPHRIES: That is data on rainfall?

Dr Canterford: That would include rainfall, pressure, temperature, humidity, minimum temperature, maximum temperature. If it has ceilometers, it would have cloud base and cloud amount. If it was visibility, it would have prevailing visibility for operations—for instance, in an airport. The sensors you put on that piece of equipment would determine the cost of

maintaining it. The communications can vary depending on whether you use line-of-sight, radio, telecommunications or PSDN telephone or Nextgen 3G network communications.

CHAIR: Senator Humphries, we have a full list of senators seeking input into this questioning, so can you make this your last question, please.

Senator HUMPHRIES: All right. What is the cost of, specifically, a river-level monitoring device?

Dr Canterford: I would not have an estimate. We do not have one.

Dr Smith: We will take that on notice, Senator.

Senator HUMPHRIES: Can you also take on notice what the ongoing operating costs of each of those devices would be, please.

Dr Smith: Perhaps I could clarify an answer I gave before about the reviews. The reviews I was referring to are ones we have done intermittently—say, three or four years apart. We do not review the whole network annually. So the publications I was referring you to were ones that are done sometimes every three years or something like that.

Senator HUMPHRIES: All right. Could I have the last of those reviews that you have conducted and any other interim reviews you have conducted in the last three years.

Dr Smith: Yes, Senator.

CHAIR: Thanks, Senator Humphries.

Senator HUMPHRIES: I have other questions, if I could just have time at the end.

CHAIR: If we have time.

Senator HUMPHRIES: Thank you.

CHAIR: Senator Macdonald.

Senator IAN MACDONALD: Thank you, Chair. I am not sure how this happened, but we have had less than an hour for this group if you take into account morning tea. We might have to go over time and into GBRMPA and national parks, which I do not think will be big areas, because there is a lot of obvious interest in this—but perhaps we can deal with that later. I did ask some questions at the last estimates hearings about the rostering in northern bureau offices during Cyclone Yasi and you did give me some answers on the spot. You sent a letter just correcting some information. Then, only yesterday, I got your answer about the staff hours. It did not actually say what I wanted. First of all, when did you send this answer to the department or to the minister's office for conveyance to the committee?

Dr Smith: I believe we finalised ours at the end of March. I was dealing with one around 28 March.

Senator IAN MACDONALD: Okay. You might be interested to know we only got them yesterday—not more than 24 hours before you appeared today. The answer you gave me did not quite answer the question. What I really wanted to know was: during Cyclone Yasi, what shifts were staff in Townsville and Cairns working? You said in your answer:

... staff ... generally worked shifts spanning between approximately 7 and 13 hours duration.

I wanted the information to be a bit more specific. Were there staff working for the 24 hours while the cyclone was around, or any other day? If you have that information, could you give

it to me now? Otherwise, can you take it on notice and get back to me again. I note that in your answer you also said:

... staff routinely work shifts spanning up to approximately 12 hours 45 minutes (including meal breaks).

'Approximately' means it could be 12 hours, give or take four or five hours. Twelve-hour shifts are routine, you say?

Dr Smith: Yes, Senator.

Senator IAN MACDONALD: Does the union have any comment about 12-hour shifts?

Dr Smith: This is all part of our enterprise agreement. So the way the shifts work, the way they are arranged and all the details are all part of our staff enterprise agreement.

Senator IAN MACDONALD: Does it suggest to you, as it suggests to me, that perhaps you are undermanned, particularly in Townsville and Cairns, when you have staff routinely working 12 hours, 45 minutes—almost 13 hours?

Dr Smith: No, it does not suggest to me that we have such an issue. Again, these are the staff levels. In particular, when we are going through extreme events, we have to have a bit of give and take—

Senator IAN MACDONALD: Of course.

Dr Smith: in the hours in order to meet the demands.

Senator IAN MACDONALD: When you say staff 'routinely' work 12 hours, do you mean routinely when there are crises on? You do not actually say that.

Dr Smith: Dr Canterford probably knows the details of the shifts.

Dr Canterford: The 12-hour shifts are a routine arrangement for forecasting staff as well as in those offices. So it is an Australia-wide process and it has been looked at over many years. It is our standard practice to have 12-hour shifts. The response that was provided to your question on notice, Senator, was specifically related, as I understand it, to shifts during that particular event, and that would have been the case also in other offices in Queensland and Victoria where there would have been requirements to cover special briefings to emergency services et cetera.

Senator IAN MACDONALD: It may have meant that, but it does not actually say that, does it? It says 'routinely'. Then it goes on to say that 'peak demands'—which I take as Cyclone Yasi—'may be covered by operational staff attending for additional duty on a rostered day off'. That means their 12 hours on could be continued by some extra time on what would normally be their rostered day off. What I really want to know is: in relation to Cyclone Yasi, what is the maximum number of hours any particular staff member worked nonstop? Perhaps you could get me that on notice.

Dr Canterford: Okay.

Senator IAN MACDONALD: They do a fabulous job, as I said to you before, and they are essential. I am just concerned that over the years there seems to have been a diminution in the number of staff in Townsville, Cairns and other more remote places that then has to be made up by asking existing staff to work unreasonable hours at times of crises.

Dr Canterford: Yes, I agree.

Senator IAN MACDONALD: That is the nature of my question. It is certainly not a criticism of the work that those great people do. If you can assure me yet again that there is no diminution in staff in these more remote areas, if you can assure me that staff are not being centralised in both Brisbane and Melbourne, I would be forever grateful. I will continue to seek those assurances for as long as I am here. Can you give me an update on Willis Island, which was flattened by the cyclone? When is it expected to be operational again?

Dr Smith: I will pass you to Dr Canterford because he has the brief straight in front of him.

Dr Canterford: As you are aware, the work is progressing now on repairs to Willis Island. There has been a review of that recently and I will quote from it. It is progressing well. I am not too sure of the exact timing for the completion of that work, but I am told that it will be ready in time for the next season.

Senator IAN MACDONALD: So it will be ready by October?

Dr Canterford: I might have to take that on notice. I cannot quite see it in my notes here.

Dr Smith: I do not believe, for example, that the radar will be ready by then. Again, it is trying to get all of the logistics and the work done out on the site. Some parts, like the radar, may not be ready by October. But they have done all the survey and assessment of what needs to be done now and they are now agreeing on the work. So there is no real obstacle, other than logistics, in starting to get that done.

Senator IAN MACDONALD: How are you going to fund the reconstruction? Do you get special allocations?

Dr Smith: No. Willis Island is all covered under Comcover, so it is all insured. We have been through those discussions. I think they are now complete, so we have agreement on the replacement.

Senator IAN MACDONALD: Could you tell me, on notice: what is to be done and when do you expect it to be done, and are there any hold-ups? You know better than I do that it is a very important part of the protection network across Northern Australia. I would appreciate that. Finally, I asked the department—I will not labour this point too much—for a critique on a page that I quoted to you with comments by famed Princeton University physicist Dr Robert Austin. I am not sure whether it was you or the minister's office who gave me an answer that just says, 'Here are some critiques,' with a series of websites which I am unable to access. I do not have the staff to do it—and I appreciate that your staff are always very well engaged. But I did expect from the department a brief comment on whether Dr Austin is, in fact, as well respected as is claimed; whether he did say what he has been reported as saying; whether generally he is correct or not; and whether 700 scientists representing the most respected institutions at home and around the world—including the US departments of energy and defence, the US air force and navy, and even the Environmental Protection Agency—had challenged claims made by the IPCC. I want to know whether that is right or whether whoever sent this to me is just having a go at me. Could you perhaps try again?

Dr Smith: I can tell you that we verified that the statements in the question on notice were actually made, as far as we can tell from the documentation. He expressed some opinions. A lot of people have appeared before both the Senate and Congress and expressed opinions

about the IPCC and climate change, and that is one of them—so we could verify that. He has criticised the IPCC. The reason we gave the websites is that many studies have been done now on whether the IPCC did have the sorts of systematic errors that were being claimed in that statement. The biggest of those was an interacademy review, which went through in complete detail—completely independent of the IPCC itself. It found no such systematic biasing of IPCC results. So in the end we were put in the position that it was a view, and everyone is able to have such views. We cannot do any more than to quote a number of others who have done the same thing and come to different conclusions.

CHAIR: Senator Macdonald, we have to move on.

Senator IAN MACDONALD: I have two more questions.

CHAIR: No. You cannot have two more questions; I am sorry. Dr Smith, you are very popular. I know we have a timetable set out, but if we can get a little extra time with the bureau can we get a few extra minutes with you? Would that be a problem for you in terms of travel?

Dr Smith: No. I think we have that flexibility.

CHAIR: Well, that is okay. Senator Joyce.

Senator JOYCE: I have to get to the end of one of the questions that I think Senator Macdonald was asking. The statement has been made around this building lately that 99 per cent of scientists agree with the proposition that was put forward by Professor Tim Flannery yesterday that the science on global warming is settled. Would you believe that 99 per cent of all scientists hold that view?

Dr Smith: I do not have the evidence internally; we do not go around sampling all scientists. But that statement has been made in a number of places, that a large proportion of scientists—

Senator JOYCE: A large proportion? Do you think there is also a substantial proportion that do not believe that the argument is settled?

Dr Smith: There are a substantial number who have different views, yes.

Senator JOYCE: Do you believe that some of those scientists are actually proficient, such as Professor John Christy and Professor Roy Spencer?

Dr Smith: Within the IPCC itself, a number of those scientists are actually part of the process of IPCC.

Senator JOYCE: John Christy is an atmospheric scientist. You would be aware of what atmospheric science is about.

Dr Smith: Yes.

Senator JOYCE: That would be a substantial field of study on the basis of which to make a decision about people's positions on global warming or otherwise, wouldn't it?

Dr Smith: Professor Christy is a well-respected scientist, an atmospheric scientist.

Senator JOYCE: So, when Professor Christy says that the world is warming approximately half a degree to a degree every 100 years, that would be a formidable statement by a reputable scientist.

Dr Smith: It would be one of the pieces of evidence. There are many pieces of evidence. Dr Christy is just one of those who does his science and comes up with his opinion of what he thinks the change is.

Senator JOYCE: Would you be aware of Professor Roy Spencer as well?

Dr Smith: I am less aware of Roy Spencer.

Senator JOYCE: So, if someone were to make a statement that the debate is all over and yet these people are out there, substantive scientists in their field, lodging a contrarian argument, that would call into question statements made by other people that the debate is over.

Dr Smith: It is very hard. I do not think I can say whether the debate is over. The evidence to us—and the bureau is an agency which does thrive on evidence—does look overwhelming. It is just very hard to interpret in other ways. It is very difficult to interpret the evidence other than to say that the globe is warming. But others have different views.

Senator JOYCE: In the Bureau of Meteorology, what is the probability of your prediction for the weather tomorrow? When you put out a report, it has a variance in it. Are you 95 per cent or 99 per cent likely to be correct?

Dr Smith: I do not have that number in my head. But certainly, our daily forecasts are skilful—depending on where you are. If you are in Darwin, you will have one set of numbers and, if you are in Melbourne, you will get another, or in Canberra. A rough ballpark I often quote to people is that our five-day forecasts now are as skilful as our one-day forecasts were about 30 years ago. They are very skilful.

Senator JOYCE: I agree with you. Would it be 95 per cent correct? Do you have any idea of how you are going in your analysis? Are you within the 95 percentile, 90 percentile or 99 percentile bracket?

Dr Smith: Our skill scores are not done that way. Certainly, on notice, we could provide you with the skill scores of our models for all of the major regions. Every regional office keeps a table of its skill scores.

Senator JOYCE: What about a month out? How good is that as a prediction?

Dr Smith: You have picked on a difficult period. If there is a weak point in the whole time from short-day forecasts out to long-term climate, around three weeks to six weeks is a very difficult period. A lot of research has been done on that. It is what we call, in the business, extended range forecasts. We know that weather is predictable out to about 10 to 14 days. Scientifically, that is known. We also know that, on time scales of months to three months, there is predictability that comes from the ocean. It is in that little period where we get monsoons and interseasonal variability. A lot of work is now being done to see whether we can exploit predictability there, particularly for Northern Australia. We are optimistic now that this will be an area where we can provide quite skilful forecasts in the future.

Senator JOYCE: What about predicting the weather for Darwin, say, in a year's time? How would that go?

Dr Smith: That is a different one. You ask whether I can predict the weather. The predictability of weather is about 10 to 14 days. Once you want to get details of weather outside of 10 to 14 days, the predictability is not there. If I go out to a month, I can predict

larger scales with some skill. Out to a year, there are at least a number of scientists who will claim that they can predict things like El Nino on very large scales. But that is not weather; that is very large-scale phenomena, where you have coupling between the ocean and the atmosphere and, in some cases, between the ocean, atmosphere and land. So they are very different phenomena in terms of predictability.

Senator JOYCE: What if I ask you to predict the weather out to eight years and seven months?

Dr Smith: Predicting the weather then? It cannot be done. The barriers are around 14 days. What I can do is give you statistics on what is most likely. Just as one example, we know something about the dependability of tropical cyclones on the climate, and it is basically around sea surface temperatures. If I can foresee how sea surface temperatures are going to change, for example, I can say something about the likelihood of tropical cyclones or the likelihood—

Senator JOYCE: When you say something about the 'likelihood' of what might happen, are we talking about a 50 per cent chance of it happening, a 40 per cent chance of it happening, or a 90 per cent chance of it happening?

Dr Smith: I could use the language of the IPCC. If they are looking at, say, severe events—let us pick extreme-temperature heatwaves—they will go through about three or four classes. 'Likely' is that there is greater than a 50 per cent probability that this will have more occurrences in the future. They then go up to 'very likely'.

Senator JOYCE: What is 'very likely'?

Dr Smith: From memory, that is greater than 66 per cent. 'Virtually certain', from memory, is 90 or 95 per cent. So there are different grades.

Senator JOYCE: With their modelling thus far, how are they going in what they have said is going to happen and what has actually happened? Have they been right 90 per cent of the time, 50 per cent of the time, 20 per cent of the time, or never?

Dr Smith: For what particular thing?

Senator JOYCE: For changes to climate predictions, to weather events—

Dr Smith: Certainly, for specific weather, we do not predict that; we can predict something about the statistics. I will take one example. On sea level, if I go back to the first assessments, which are now almost 20 years old, it seems now that most of those were underpredictions of what is actually happening. At the moment there is at least a little concern that the predictions for sea level from the IPCC's *Fourth Assessment Report*, which was in 2007, may be underdone. Again, we have to wait for the evidence to come in; that assessment has to come in.

CHAIR: Dr Smith, I am sorry to interrupt you, but I would like you to finish your answer because we are just about to go to a break.

Dr Smith: I think I have finished it, unless Senator Joyce wants to go deeper.

CHAIR: We are just about to go to a break, Senator Joyce. I think there is agreement that you will continue to give evidence until 11.55, Dr Smith—as I have said, you are very popular. Then at 11.55 we will go to the Great Barrier Reef and then at 12.25 to national parks. There will be 30 minutes for the Great Barrier Reef and 35 minutes for national parks.

Senator Siewert has about 20 minutes for national parks, and we will need to fix up the rest between us.

Senator BOSWELL: Do you have me covered?

CHAIR: You are covered. You will get a go. That is why we have extended it. Is everybody clear? The program will come back into line.

Senator JOYCE: I have five more questions.

Proceedings suspended from 10:46 to 11:00

CHAIR: We will recommence. Senator Joyce, you have a few more questions. I would ask you to be as quick as possible on them because I have to get around to a range of other senators; thanks.

Senator JOYCE: Sure. Since speaking to you last, when talking about sea level rises, I have gone onto the website and had a look at it. You are right. We went back about 140,000 years and from about 20,000 years ago it has been consistently rising. Do you have any indicator of what was causing that rise when it obviously got to its lowest point 20,000 years ago and it has been consistently rising ever since?

Dr Smith: Senator, that is certainly well beyond my expertise and well beyond the bureau's. The bureau has been managing sea level data for 20 years. In our records we go back about 100 years. Beyond that we just do not have the expertise to answer that.

Senator JOYCE: It would make sense if it has been happening for 20,000 years and the continuation of the trend is nothing surprising?

Dr Smith: It is very difficult for me to answer, I would say. We can tell you about the contemporary record and what we have seen in the contemporary record. I really cannot comment on the longer term.

Senator IAN MACDONALD: It is not a continuation of the trend. The CSIRO graph goes like that. The trend now is like that. That, I think, is the point that Senator Joyce is making.

Senator JOYCE: If it has been happening continually for the last 20,000 years and that is on CSIRO's own website, do you have any predictions for people around Sydney? Should they start moving or should we move the Opera House? Are we in imminent demise?

Dr Smith: Again, that is very difficult. I can tell you what the data is saying now about sea level in Australia, that in fact it is changing at, by our records, about four millimetres per year. It varies around Australia. Within Australia there is a lot of interannual variability from La Nina and—

Senator BOSWELL: It is 3.1, is it not, just to correct that 3.2?

Senator JOYCE: That has been happening for the last 20,000 years. So what? Anyway, what is the Bureau of Meteorology's approximate best forecast for rainfall in the Murray-Darling Basin for the rest of this year?

Dr Smith: We have just issued our winter outlooks. This is for the next season. From recollection, I know in the west the outlook is for drier periods. For Queensland and eastern Australia the outlook is for slightly wetter than usual. I think for the Murray-Darling and southern Victoria the outlook is for about average conditions, from memory. They were

released yesterday. I could go and have a look at the detail. Dr Vertessy, do you have the detail with you?

Dr Vertessy: I am just trying to find it. It was released yesterday.

Senator JOYCE: When I last asked you this question you said that the outlook was neutral. That was before the floods. Obviously that forecast was out by quite a bit. Has the bureau assessed how it got it so wrong?

Dr Smith: We gave outlooks around August and September last year based on what we believed was a La Nina coming and those forecasts tended to be very good. All of the outlooks from that period were excellent.

Senator JOYCE: I do not want to quote back to you exactly what you said, but I will. This is from Dr Ayers. He is not here.

Dr Smith: Dr Ayers sends an apology; I am sorry.

Senator JOYCE: He said that the current rainfall outlook for the southern part of the continent was neutral or slightly below neutral—something like 40 to 45 per cent probability of exceeding median rainfall. That was the prediction you gave to me last time. I have no problems that you do not quite get your predictions right. I have a problem that people start predicting what is going to happen in eight years. But when we cannot get a few months right it does raise a few questions for me, because after that prediction we almost all floated down the river together and ended up in South Australia. What are your best forecasts for rainfall in south-west Western Australia over the next year? What chance is there of an end to the drought in this area?

Dr Smith: The outlooks that I was looking at yesterday that were released yesterday for south-west Western Australia again continue the dry that has been there now for a number of years, over a decade. I believe as to the extent—that is going out to about six months—we also saw a continuation of that dry. At least in the outlooks that we have at hand there was no end in sight.

Senator JOYCE: I will ask you one question and put the last one on notice. I will give you the one on notice first. In the bureau's view, were the floods seen in Brisbane and other parts of Queensland this year attributable to climate change or in any way unique? Actually I will ask that one on the record.

Dr Smith: We know from a lot of studies in climate change that some aspects of severe events are going to change under climate change. But the biggest impact for the floods was in fact interannual variability, the fact that we had La Nina. That was really the element that led to a lot of the severe events up there in the floods.

Senator JOYCE: Was La Nina there before the Industrial Revolution?

Dr Smith: La Nina and El Nino, from the records that we have, have been around for many years.

Senator JOYCE: That is good. Thank you.

CHAIR: Thanks. We still have to get through a number of senators. Because we have changed the time on this I am going to go to Senator Siewert because she has had to adjust her timing, then I will come to Senator Boswell after that.

Senator SIEWERT: Thank you. I want to go to the outcome—I think it is 1.15—which is the environmental information section. Firstly, I would like an update on where that is. I actually could not find out the budget allocation for that specific program outcome in the budget papers. Could you just give us some detail on the expenditure on that program, please?

Dr Smith: I will pass that to Dr Vertessy, if I could.

Senator SIEWERT: This is BoM

CHAIR: Yes.

Senator SIEWERT: And I am asking about BoM. It is their program outcome 1.15—that is right—environmental information.

Dr Vertessy: I am also in charge of the environmental summation initiative for the bureau. You are referring to a new measure in the last year's budget that came to the bureau?

Senator SIEWERT: Yes.

Dr Vertessy: For the bureau to start a journey in the collection of environmental information for the nation? This is an activity we undertake in concert with the department.

Senator SIEWERT: Sorry to interrupt. I am having a great deal of trouble hearing.

CHAIR: Perhaps everyone could check their phones.

Senator SIEWERT: Could you speak a bit louder? Between your softer voice and that interference I cannot hear very well.

Senator Conroy: It was the tablet. It does not have that problem with the fibre connection market.

Senator SIEWERT: Let's not go there.

CHAIR: Behave yourselves.

Dr Vertessy: We have been underway since 1 July last year. The things that are going on are: firstly, we have obviously been recruiting new staff into the bureau. We have inducted seven new staff and have an advance recruitment of a further seven that will be coming on in the new financial year. We have been undertaking an analysis of the end-user needs for environmental information. We have established a high-level advisory group in the Commonwealth consisting of senior officials from each of the portfolio agencies who will assist us to map out a set of priorities for environmental information to support federal government policies.

We have started undertaking some technical work in the bureau as well, building the foundations of an environmental information system. So we are building some IT infrastructure and we have a bit of work going on in standards development as well. In the future an important facet of this program will be harmonising environmental information that comes from many sources throughout Australia, chiefly from state government agencies. We are setting some standards. Data standards are an important technical challenge we need to get over.

Senator SIEWERT: I have a number of questions—thank you—that have come out of your briefing then. I will start from the bottom since it is at the top of my mind. One is the standards. What is the process you are using for setting the standards? I presume you are engaging with the states and territories on that?

Dr Vertessy: Yes, that is right. At this stage it is chiefly interacting with what we call expert groups. So there is not a formal consultation process with the states at this stage. We are doing the initial design work, if you will, so that we have something ultimately to take out to the states to discuss with them. In the area of water information, an importantly allied area, we actually do have a formal process where we interact with the states. We will mimic that process in the future with environmental information.

Senator SIEWERT: When you say 'expert groups', are they within government or are they—

Dr Vertessy: No, they may come from anywhere. They may come from CSIRO, from private industry or from state agencies. Wherever we deem we can see an individual that has a vision and some expertise and a track record in an area, we will use them.

Senator SIEWERT: In terms of the standards, you are doing which area? How are you classifying your reporting? Which environmental fields are you using? Obviously you are doing water. What are the other areas that you are looking at?

Dr Vertessy: We have begun the process by mapping out a few priority areas to start work in, noting that this is only the beginning of a long journey. The areas we have chosen to work in are coastal information systems, and we are currently assessing a proposition to do something on the Great Barrier Reef on coastal water quality.

We have another project underway assessing what we could do in improving air quality information for Australian cities. We have a couple of other areas looking at issues such as improving the delivery of soils information and land cover information across Australia. There are four or five domain areas where we are kind of focusing our efforts at the moment, but we still have not made a formal commitment to progressing an information system in each of those domains. We are in the evaluation stage.

Senator SIEWERT: And what is the process? What is the time line for making that commitment?

Dr Vertessy: Probably over the next 12 months we will be firming up and making a commitment to go one way or the other.

Senator SIEWERT: I know I am going to get pinned for time. I will quickly, if I can, ask about the consultation process, any formal outside government consultation process. What is the proposal? Is it happening? If not, why not; and if so, when?

Dr Vertessy: There has not been a lot of external consultation to date. We have made appearances at various national conferences. Our officers have gone to certain multi-jurisdictional fora where they have discussed particular thematic issues like soils information or land cover information. We have participated in discussions but we are yet to actually initiate a formal process. We are in the final stages, in fact, of completing a stakeholder communication strategy. Once that is set we will formalise.

Senator SIEWERT: Thank you. Two more questions—

CHAIR: One more.

Senator SIEWERT: Can I stretch it to two?

CHAIR: Yes, if you are quick.

Senator SIEWERT: How are you looking at biodiversity or integrating biodiversity into your process?

Dr Vertessy: We are doing a little bit of work there. We are collaborating with the Atlas of Living Australia people that are funded under the NCRIS arrangements. We are working there on a technical standards issue. We have no specific plan at this stage to build up a biodiversity database, if that is what you are wondering. The technical standards work we are doing at the moment is a precursor to a consideration of what we might do in the area of biodiversity.

Senator SIEWERT: Thank you. Finally, on the funding for this project, maybe if you can take it on notice or tell me where to find it in the papers, because I cannot actually find the funding specifically for this particular outcome.

Dr Vertessy: I will have to take that on notice, Senator.

Senator SIEWERT: Thank you.

CHAIR: Senator Boswell.

Senator BOSWELL: Thank you, Chair. Six months ago I was challenged to put on notice or verify a statement that I made that the average trend of increases in sea levels was 0.09 millimetres a year. I did not have that information at the time but I have it now and it is from the Australian Mean Sea Level Survey of 2009, National Tidal Centre, Bureau of Meteorology. I think at the time, Mr Chair, you said that it was incorrect. I have shown this to you and I would appreciate your acknowledging that I was correct when I said it.

CHAIR: No, you are not. Let us hear from the scientists.

Senator BOSWELL: The scientists, I would imagine, cannot deny what their own—

CHAIR: You seek to table that document, do you not?

Senator BOSWELL: Yes, I will table that document. As I said before, I am a person that has spent a lifetime either on the water or near the water and still live on the water. I will not be selling my riverside property soon, I do not think, even with the projections that sea levels will rise up to two metres. Can I ask Dr Smith: are you aware of the *Critical decade* report that came out yesterday?

Dr Smith: I am aware of the report, yes.

Senator BOSWELL: It says on page 23 of this report that projections of sea level rises for the rest of the century vary widely from the often quoted range of 0.059 metres based on the IPCC to nearly two metres. It has a headline that sea levels could rise by two metres. That is designed to frighten the living daylights out of people. Of course the ministers jump on it, and then go out and broadcast it. It says here in the report that, on the other hand, projections of 1.5 to two metres seem high in light of questions surrounding estimates of the current rate of mass loss of polar ice sheets. Do you think that a headline like that is disingenuous, when the bulk of the report says that projections of 1.5 to two metres seem high in the light of recent questions surrounding certain estimates? So in the body of the report it says it is high and yet the headline says it could go to two metres.

Dr Smith: Senator, I do not know that I am in any position to cast an opinion on the headlines. I can say a little bit about the evidence that the bureau is associated with. I am loath to start giving opinions on headlines.

Senator BOSWELL: Would a headline like that convince you, as it points out that sea levels could rise by two metres?

Dr Smith: If you are asking me personally, of course I have a lot of scientific knowledge of sea level and I would be able to interpret any statements like that without any fear. Again, I do not think I am in a position to give any opinion on—

Senator BOSWELL: Would you say that sea levels are likely to rise two metres?

Dr Smith: I can quote you what the IPCC has assessed.

Senator BOSWELL: No, I am not asking what the IPCC has said. I am asking what you think.

Dr Smith: It is not the bureau's headline.

Senator BOSWELL: You do not have an opinion?

Dr Smith: I do not?

Senator BOSWELL: You do not have an opinion whether sea levels could rise by two metres?

Dr Smith: Formally in the IPCC they give a range, but there is a lot of evidence that is accumulated by scientists that says that perhaps on the upside it could exceed that. Again, what they are quoting is a range of models and they have given a range of results. The consistency is about the 0.5 to one metre range. That is where a lot of models are lining up.

Senator BOSWELL: In regard to the satellite, both the bureau and *Critical decade* agree that the rise in sea levels has been 3.2 millimetres, which is very small. If you extrapolate that to another hundred years, that gives you a sea level rise of 0.32 of a metre or 32 centimetres. How do you then project it can go up to six metres when the projection levels are about 32 centimetres?

Dr Smith: If you look at the record—and again you have correctly quoted the 3.2 millimetres per year—back in the historical records it was in fact slower than that, back in the early parts of the century, about 1.8. What appears to be happening is that that rate seems to be going up. The most recent records in fact are showing it higher than 3.2. Even just in the recent data in the last decade they are certainly higher in a global sense than the 3.2, and the models are projecting an even higher rate, as you have referred to.

Senator BOSWELL: If the models are higher than 3.2 millimetres per year, why are they not recorded in this *Critical decade*? I would imagine if the sum was higher than 3.2 millimetres it would be included in here. It says that 3.2 millimetres a year is what has been recorded by satellite. You were saying it is higher than that.

Dr Smith: Yes, that is roughly the rate between the mid 1990s and around 2003-2004. Both altimeters, the satellites and the in situ gauges, are giving an estimate of around 3.2. If you look at just the most recent decade and on the satellite data, it is giving numbers now which are higher, which we would expect scientifically, because a lot of the heat is already starting to go into the ocean. It is expanding and that accounts for about 40 to 45 per cent of that rise. It is just coming from the heat. You just heat the ocean and it expands.

Senator BOSWELL: How much have the ocean levels gone up? If the ocean levels have not risen by 3.2 millimetres, what have they risen by?

Dr Smith: That is what the data is showing. They have risen globally, on a global average—

Senator BOSWELL: Yes. But you are saying they are registering higher now.

Dr Smith: In the last decade they have gone up even further. That is giving you the rate of rise per year. The rate over the last decade is in fact higher than that. In the Australian region it is different yet again because we have regional variations.

Senator BOSWELL: Professor Flannery said:

If the world as a whole cut all emissions tomorrow the average temperature of the planet is not going to drop in several hundred years, perhaps as much as a thousand years.

Do you agree with that statement?

Dr Smith: All of the modelling and all of the science that we understand says that there is an inertia in the climate system which will take many decades, perhaps even a hundred years, to go. It is basically because of the ocean. The ocean takes a long time to heat up. The circulations in the ocean take about a decade, maybe even 25 years, just to turn over once. That is in the rapid parts. If you go to the slow parts of the ocean it can take up to a hundred years. It is that slow circulation in the ocean which leads to those very long time scales. That is just the facts as we know them.

Senator BOSWELL: So if the whole world was to come to an agreement tomorrow and everyone cut their emissions to 2000 levels, China and so forth, it would take several hundred years before we would get an effect?

Dr Smith: If I understand the point that they were making in the report—and a lot of focus internationally is on this target of two degrees—what they are arguing is that if we take action now the climate system will respond quickly enough so that by 2050 we can start to limit the amount of warming. As I say, you are fighting against the warming that is going to happen over the next 20 years. That is already done. There is nothing we can do about it.

Senator IAN MACDONALD: But that is not what Professor Flannery says. So you do not agree with him?

Senator BOSWELL: Let me ask this question again. 'If the world as a whole cut all emissions tomorrow the average temperature of the planet is not going to drop for several hundred years, perhaps as much as a thousand years.' Do you agree with that statement?

Dr Smith: I would have to see the whole context. He—

Senator BOSWELL: No, you do not have to see it in context. This is what he said. It is a quote. Do you agree with it or do you not agree with it?

CHAIR: Senator Boswell, you have been around long enough to know now that you cannot try to force a witness to say yes or no when he is trying to contextualise his answer. Dr Smith, you can continue.

Dr Smith: It depends on what he is putting it relative to. I have not got the document in front of me. I could go back and look at the document. He is obviously saying that relative to some point in time. I do not recall offhand just what point in time he was referring to.

Senator BOSWELL: He was referring to tomorrow. That was the point in time, tomorrow. 'If the world as a cut all emissions tomorrow'—

Dr Smith: So if you take the global temperatures as we have them today, how long would it take? It will take very severe cutbacks in greenhouse warming to return the temperatures back to what they are today. If that is the message he has got in there, then I would agree with that.

Senator BOSWELL: How much would you say you would have to cut them back?

Dr Smith: That is getting outside the bureau's expertise. Again, this is something that is being debated in the international community. I think in the report they focused on a number of scenarios. There is a significant challenge there if we are going to return those temperatures back, even to keep it within that two-degree limit, which is the target that a lot of the international community is focused on.

Senator BOSWELL: You say that would take a hundred years or so to get there?

Dr Smith: I cannot quite understand what the content must have been for that hundred years.

Senator BOSWELL: It says 'several hundred years, perhaps as much as a thousand years'.

Dr Smith: I would have to take it on notice. I have not got the context of all of those statements sitting in front of me.

Senator BOSWELL: I will put it on notice. The question I want to ask is: you have seen what I tabled. I tabled a report from—

CHAIR: Senator Boswell, I am afraid Dr Smith does not have that document.

Senator BOSWELL: Can someone give him the document that I tabled?

CHAIR: This will have to be your last question, Senator Boswell.

Senator BOSWELL: Have you got that document?

Dr Smith: I have got that document.

Senator BOSWELL: That document clearly says that, on the 39 gauges around Australia, the level has risen 0.09 millimetres.

Dr Smith: The document I have in front of me says 0.9 millimetres per year.

Senator BOSWELL: 0.9 millimetres, yes.

Dr Smith: That was what was recorded in the NTC document.

Senator BOSWELL: Yes. I was challenged last meeting that I was incorrect when I said that. I think the chairman challenged me and said I was incorrect and I had to table the information. I have now tabled it and you will verify that what I said was true.

Dr Smith: The question we were asked, in fact, was about the Department of Climate Change mentioning a number of 0.09 millimetres per year, rather than 0.9. I think that is where the confusion was. The 0.9 millimetres per year that you have here is a direct quote out of the NTC report from 2009.

Senator BOSWELL: That is 0.9 of a millimetre.

Dr Smith: It is 0.9 millimetres per year.

Senator BOSWELL: That is exactly what I said.

Dr Smith: What is in front of me now is exactly what is in the NTC report.

Senator BOSWELL: Mr Chair, then it is up to you to do the right thing and offer an apology.

CHAIR: Senator, I will never apologise to a climate sceptic or denier, let me tell you. I am happy to continue this debate.

Senator BOSWELL: Even though you admit you were wrong and—

CHAIR: I am not wrong. I do not admit to anything.

Senator IAN MACDONALD: And you should have a debate with many of your colleagues, Senator Cameron, many of whom you know share Senator Boswell's views.

CHAIR: Senator Boswell, that is you finished. Dr Smith, it seems to me this is a bit like the aeroplane that is going to bomb somewhere and all of the confetti gets scattered around to try to stop the missiles hitting the target. We have had a number of reports before this committee. One of the reports that we discussed yesterday was the report by the working group commissioned by the Pontifical Academy of Sciences. Are you aware of that report?

Dr Smith: I am aware of the report.

CHAIR: I indicated yesterday that there were scientists of very high standard delivering that report. Is that correct?

Dr Smith: Yes, it is.

Senator BOSWELL: Are you going to join the faith?

CHAIR: Am I going to join the faith? No, but I am interested when the Catholic Church takes a position on science. I think it is very important that we pay attention to it and do not trivialise it, Senator Boswell. Dr Smith, the key position that is adopted in this report, after they look at all the issues we have been talking about—about rising sea levels and glaciers melting—is that we need to do something now; we have a duty to act now in relation to this. If we do not act now, what are the consequences? If we do not get action on climate change, what are the key consequences for Australia?

Dr Smith: As I understand that report, their conclusion is that, if we do not act now, we will have increases in sea level, which will be quite large; we will have temperatures which will exceed that two-degree threshold that we are at least aiming for for 2050; and that the risks in a number of other areas will grow. Again, that is what is in the report, as I understand it.

CHAIR: At the last hearing, there was quite an exchange between the chief executive of the bureau and Senator Macdonald on this issue. Senator Macdonald said that he would send some correspondence to Cardinal Pell. I will send this report to Cardinal Pell and hopefully he will change his view on that. There are other reports that we have looked at. Have you had a look at the CSIRO report *Climate change*?

Dr Smith: I have seen the report in its draft form.

CHAIR: It says that global sea levels are currently rising at around 3.2 millimetres a year, nearly twice the average rate. Is that accurate?

Senator BOSWELL: The average rate of what?

Dr Smith: Again, you have to get the context, I think. The 3.2 was for a recent period and, again, without having the report in front of me, I think it was 1993 to 2003, something like that, which is to be compared with the earlier parts of the record, which were at about 1.8.

CHAIR: Do you have any doubt that sea levels are rising?

Senator JOYCE: They have been rising for 20,000 years.

CHAIR: Senator!

Dr Smith: There is a lot of different independent evidence. Again, one of the points being made in that report is to distinguish between relative sea level rise. Relative, of course, is where we have the land actually going up as well as any rise in sea level from warming. As a scientist, once the ocean absorbs the amount of heat that it has, there is no option but to expand the ocean; that is just basic physics.

CHAIR: The basic physics that you are talking about come about because of CO2 pollution. That is the expansion in the heating.

Dr Smith: We know from the science over the last 30 years that the greenhouse effect does lead to warming of the planet. A lot of that heat is absorbed by the oceans. When the oceans warm, they expand. So it is a reasonably straightforward equation. Of course, there are lots of other variables like glaciers and melting of ice that have to be taken into account. Those are a little more difficult to both measure and to estimate in the future.

Senator JOYCE: How much of that CO2 comes from man-made, anthropogenic, causes as opposed to natural causes?

Dr Smith: Again, you are getting outside of the bureau. The bureau is not necessarily the right place to ask those questions. There are a lot of studies, including the IPCC reports, where they have gone into detailed attributions of the sources. Of course, there are very detailed techniques for tracing the source of carbon dioxide, whether it is anthropogenic or by natural causes.

Senator JOYCE: How much is anthropogenic?

Dr Smith: I would have to take that on notice because I do not have that sort of information—

Senator JOYCE: You are very certain about some of these other answers.

CHAIR: I am asking some questions; the senator has had plenty of time. Dr Smith, as a scientist, the issue you have raised is that the chemistry defines that there will be increasing sea levels. Senator Joyce earlier said that nobody serious has ever said that 99 per cent of scientists agree that the science is settled. That is not what the scientists are saying, is it? They are saying that the scientific consensus is that there is a 90 per cent degree of probability that the climate is changing, and that is quite an overwhelming scientific position to adopt.

Senator JOYCE: I will correct that: there is a 100 per cent chance that the climate is changing; it is definitely not staying the same.

CHAIR: We are talking about CO2 emissions. Dr Smith?

Dr Smith: Again, I will refer to the IPCC reports. In those reports they conclude—and if I can remember the words exactly right—that it is virtually certain that the planet is warming as

a result of enhanced greenhouse gas levels. Again, if you want me to get the details, I can take it on notice, but they are all in the fourth assessment and the third assessment reports.

CHAIR: While you are doing that, could you also just confirm for us the comment in the Climate Commission report that the observed sea level since 1993 tracking near the upper end of model projections pointed towards significant risks of sea level related impacts in the 21st century? Does that strike you as the work of someone who does not know what they are talking about?

Dr Smith: What I can comment on is the fact that it is tracking near the top range of the models. That does appear to be the case. Again, that was reported in the fourth assessment. There is a lot of work being done in the intervening three to four years to look at the same problem. It was true in 2007 and I think it is still true today.

CHAIR: How robust are these models?

Dr Smith: The models are very robust. One of the reasons that we have a lot of confidence in the models, in fact, is that the basic physics of those models are pretty much the same physics and the same models that we use for weather prediction.

Senator JOYCE: You could not get it right last year when we asked you how much rain there was going to be.

CHAIR: Senator Joyce, you have had a fair go.

Senator JOYCE: I am just saying that when we last had a question on notice on this it was medium to low rainfall.

Senator Conroy: I have just read Greg Hunt's interview this morning. He says that the coalition is not divided on climate change. Are you supporting Greg Hunt here?

Senator JOYCE: I am just saying that it is on the record. Last time we had this discussion you said that there was a medium to low probability of rainfall, and then we were almost washed away.

Senator Conroy: Greg Hunt says that there is no division in the coalition on climate change. Are you agreeing with him or not?

Senator JOYCE: I am just stating a fact.

Senator Conroy: Greg Hunt stated a fact: there is no division in the coalition on climate change.

Senator JOYCE: I am stating a fact.

CHAIR: Senator Conroy, Greg Hunt is not here. He is at the climate change forum with Malcolm Turnbull, so maybe we will get some differences sorted out there.

Senator Conroy: There aren't any differences, Senator Cameron, with respect. I have listened to Greg Hunt. Barnaby has not, obviously.

CHAIR: Is it fair to say, Dr Smith, that the overwhelming scientific consensus is that carbon pollution is creating significant climate change problems?

Dr Smith: Those are the conclusions of the fourth assessment report, based on a lot of evidence.

CHAIR: As a scientist, do you agree with that?

Dr Smith: As a scientist—and again my specialty is in the ocean and the ocean parts of climate—I have no reason to doubt the conclusions that the fourth assessment report came to.

CHAIR: We will get a quick question from Senator Wortley and then come back to you guys.

Senator WORTLEY: The bureau recently held an international meeting in its Melbourne office where an agreement was reached for new services for improved tsunami threat information. I wonder whether you can enlighten us on the improvements and tell us what they mean for Australia and for other Indian Ocean countries.

Dr Smith: I will pass that one to Dr Canterford.

Dr Canterford: Thank you, Senator. Yes, there was an international coordination group meeting in our Melbourne office a few weeks ago and, at that meeting, most countries from the Indian Ocean rim were represented. It is an intergovernmental group. It was hosted by the Bureau of Meteorology and Geoscience Australia. At that meeting we went through and reviewed all the information and all the progress that has been made since the tragic 2004 tsunami in the Indian Ocean.

The agreement which was set out shortly after that particular tsunami in 2004 was that there would be a network of networks operating within the Indian Ocean where there would be several nations that would provide general tsunami advice. We have reached that stage now where Australia, India and Indonesia have that responsibility. We are still being shadowed at this stage by the USA Pacific Tsunami Warning Centre. The Japan Meteorological Agency is currently providing an interim service into the Indian Ocean. Australia has played a big part in that international agreement as to how we would operate within the Indian Ocean if a tsunami warning was there. There has been a lot of work by many countries, including India and Indonesia.

Senator WORTLEY: So the improved services will take effect in October this year; is that right?

Dr Canterford: That is correct. In October we will be having an exercise which will test all these processes. The Bureau of Meteorology and Geoscience Australia are already set to provide that service into the Indian Ocean and so are India and Indonesia. In October this year we will be having an Indian Ocean basin-wide exercise of all countries under the auspices of the IOC—the Intergovernmental Oceanographic Commission.

Senator WORTLEY: Finally, what are the advantages of the improved services? What does it actually mean?

Dr Canterford: The advantages of the improved service—if we go back prior to 2004, in the Indian Ocean, there was basically no service. I was on duty at the time and we were just scratching for information. There was very little information out there. I think the only recording was on Christmas Island—one of the bureau's stations there. The Pacific was a different situation. For 40 years that had a set-up.

Just to focus on your particular question, the improvements that will be in place will mean that all countries, I think, except three, have the ability to receive now warnings from Australia, Indonesia and India. There is a great deal of additional seismic instrumentation in that ocean now. That has been put in place by India, Australia and Indonesia, through various donor countries. There has been a massive increase in seismic information—also in sea level

information as well. There is also an improved warning system in terms of providing additional details in terms of where tsunamis may impact on countries; whereas, previous to that, even within the Pacific, it was purely a matter of when a tsunami would arrive rather than what magnitude it may or may not be. So there has been a range of additions. I must add one point. Most countries in the Indian Ocean too have exercised a great deal of their systems.

Senator WORTLEY: I have a question in relation to the time frame, but I will put that on notice.

CHAIR: Dr Smith, before I go back to the coalition, I think we should settle one issue. Can you take this on notice? A document has been tabled by Senator Boswell. Could you give us a detailed explanation—you do not have to do it now because the coalition are seeking to ask other questions—as to why that could be interpreted differently to the two most recent IPCC reports in 2001 and 2007? Could you also explain the last paragraph in the document? It says:

When interpreting the results it is important to consider the following information about the long-term sea level records, particularly issues relating to data quality, datum stability and land motion.

I am not sure what that means, because this qualification was not appended. Please take that on notice. It is an important point, I think, and we need to get some clarification on that. Senator Humphries?

Senator HUMPHRIES: Can I come back to the way in which the bureau uses water monitoring to predict flood events? Is there technology or software that the bureau uses to model and predict flooding during rain events?

Dr Smith: I will pass that to Dr Vertessy.

Dr Vertessy: The bureau runs a flood forecasting model in-house. It is called the URBS model. That is in operation in all of our forecasting centres. We also use independent check measures. Some are manual and some are semi-automated spreadsheet type models. They are used as a kind of sanity test against the model.

Senator HUMPHRIES: Is this an in-house developed model?

Dr Vertessy: Yes, it is.

Senator HUMPHRIES: Is this unique? Do other bureaus around the world use this?

Dr Vertessy: Not that particular configuration. Any flood service around the world would presumably use a hydrologic model of some kind. It would be similar in concept to the type of model that we use—it is a pretty common kind of concept—but it is a particular code base that belongs to the bureau and has been developed in-house in the bureau.

Senator HUMPHRIES: Are you aware of the comments by Richard Stone, the chairman of the UN Commission for Agricultural Meteorology, who was quoted in the *Brisbane Times* as saying that the technology used by the Bureau of Meteorology cannot properly advise towns of impending flash flooding? He urged the governments to buy new technology which could better predict flash floods. Are you aware of those comments?

Senator Conroy: I think that might be being traversed in a royal commission of some sort. If so—

Senator HUMPHRIES: There is no royal commission; there is a commission of inquiry in Queensland.

Senator Conroy: A commission of inquiry. If they are matters that are being traversed in a commission of inquiry, it may be that you want to take it on notice and be very careful in your answers.

Dr Vertessy: I think that would be the prudent way forward.

Senator HUMPHRIES: I would beg to differ, with respect. There is no reason in an inquiry why the same issues cannot be traversed in two different places. It is not like a court of law. This is not about the position of individuals whose position might be prejudiced by questions being asked. It is about what technology the bureau is using. I am simply asking: are you aware of the comments that Mr Stone has made?

Dr Vertessy: I am not personally aware of those comments.

Senator HUMPHRIES: I make the suggestion that you might like to discern or find out what he has said about this. He seems to be a person with some authority on the use of this technology. Are you confident that the technology that BoM is using is the most appropriate for flood modelling in Australian conditions?

Dr Vertessy: It is an appropriate technology and has served the bureau and the community very well over the years. I could not judge whether it is the most appropriate. That would require an evaluation study against other methods.

Senator HUMPHRIES: Has BoM undertaken a comparative assessment of other models of flooding, given that we have the head of a UN agency suggesting that our model here is inadequate?

Dr Vertessy: First of all, I would like to correct a misunderstanding. Our modelling and our service do not forecast flash flooding. Our service is restricted to riverine flooding for areas with a rain to run-off time of six hours or more. So the models are not designed for flash flood forecasting.

Senator HUMPHRIES: Is there a distinction here between flash flooding and other sorts of flooding?

Dr Vertessy: Yes, there is. There is an accepted definition of flash flooding and riverine flooding. The threshold is a rainfall to run-off time of six hours; that is the boundary.

Senator HUMPHRIES: I do not want to waste any more time here. I can give you the reference to what Mr Stone is supposed to have said. Can I ask you to take on notice an assessment, a response to what Mr Stone has said, about the adequacy of BoM's flooding technology? Perhaps you might take this on notice: I want to know about the process whereby the 6,000 or so cooperative rainfall observers are recruited into the network that BoM either runs or is involved with for monitoring flood levels. I want to know what is required of a cooperative rainfall observer in terms of qualifications or level of reporting—how that information is provided to BoM or to other networks into which BoM feeds—and whether there are any plans to upgrade either the number of observers or the means by which they contribute to BoM's monitoring of river levels particularly. You mentioned before in earlier answers that there are a range of devices around the country that are operated by agencies other than BoM. Is there a single place anywhere where we have a register of all river level and rainfall monitoring devices across the country?

Dr Vertessy: There is no single register, but there is now a very valuable resource on the bureau's website, a series of documents known as strategic water information monitoring programs. For each state of Australia now we have a description of the totality of the water information monitoring systems. That is work that is being funded through the Improving Water Information Program. It is work undertaken by the states. It is the first time in Australia where we have formed a complete picture of all the monitoring that is done. So I would point you to that as the best resource. That is available on the bureau's website.

Senator HUMPHRIES: If I wanted to know in a particular state during a rain event, for example, what the situation was with river levels, would the BoM site, using those systems, be the best place to determine what is happening with water?

Dr Vertessy: The bureau has a very comprehensive real-time river monitoring network website which reports data that it receives from state government agencies and local councils around Australia. There are several hundred stations and a few thousand rainfall stations as well that can give the community a real-time picture of how much rain is falling and what the river levels are in areas that are prone to flooding.

Senator HUMPHRIES: I will put any other questions that I have on notice.

CHAIR: Senator Fisher?

Senator FISHER: Thanks, Chair. I want to ask you about a couple of paragraphs in the 'Critical decade' report that was released yesterday. The first paragraph, and I am quoting from page 38 and the section of the report dealing with extreme weather events, says—

CHAIR: Dr Smith, do you have the report?

Dr Smith: I do not have the report in front of me, no.

Senator FISHER: If I might, it is one sentence and then I am simply going to ask Dr Smith for his view. It says:

The connection between long-term, human-driven climate change and the nature of extreme weather events is both complex and controversial, leading to intense debate in the scientific community and heated discussion in the public and political arenas.

Is the bureau involved in that intense debate and heated discussion?

Dr Smith: I guess the answer is yes. We have a number of scientists who are working on extreme events, such as tropical cyclones. Within the World Meteorological Organisation there are a number of expert groups there where bureau staff have been involved. I personally am a member of the IPCC Working Group II Bureau and extremes, impacts, adaptation and vulnerability comes within that part of the IPCC. You may have also noticed that there is a special report on extremes that the IPCC is producing at this very moment. The fourth lead author meeting was held on the Gold Coast in Australia last week. When that report comes out—it is due to be accepted and adopted in November this year—I think that will be the definitive statement on where we are with extremes in climate change.

Senator FISHER: Thank you. That probably does take me to the next question, which is: on page 4 of the same report it says:

Such extreme weather events have occurred before the advent of human-induced climate change, and the degree to which climate change affects risks associated with extreme events is a very active area of research.

Firstly, is the bureau actually involved in that active area of research and, secondly, are you suggesting that that active area of research will reach a conclusion at the time of the handing down of this report to which you referred, particularly given that active research would seem to suggest that science is far from settled, particularly in that area?

Dr Smith: There are three points there. We have a joint arrangement with CSIRO as the Centre for Australian Weather and Climate Research—CAWCR. That has about 320 staff. One of the groups in there is very active in looking at climate change and extremes. So drawing the boundary between the bureau and CSIRO with that is probably difficult. Bureau scientists, including some that are in Dr Vertessy's division, have a particular interest in tropical cyclones, because that is part of our mandate, but also in some of the other extremes of weather like—

Senator FISHER: So you are qualified to comment—

Dr Smith: In certain parts; not across the whole domain.

Senator FISHER: on extreme weather events?

Dr Smith: Yes. The special report is an assessment of the science. The IPCC does not fund science itself; it does an assessment of the current state of the science. So when the special report is released in November we will have a statement from the IPCC and of the order of the 250 authors that are involved in that about what the state of the science is at that point. It will not be a conclusion, in that sense. It will just be that in 2011 this was the state of the science as those scientists saw it.

Senator FISHER: My final question is: am I correct then in concluding that you agree that, firstly, the science is not settled at this stage on the degree to which climate change affects risks associated with extreme weather events and, secondly—

Senator Conroy: I think you are trying to put words into his mouth.

Senator FISHER: neither will the science be settled, even with this report in November this year? That is why I am asking Dr Smith about whether or not that was an—

Senator Conroy: No, I think you are trying to put words into his mouth. That is what you are attempting to do.

Senator FISHER: Dr Smith can stand up for himself, Minister.

Senator Conroy: Perhaps Dr Smith might want to answer in his own words and not yours.

Senator FISHER: I would be pleased if he would do so.

CHAIR: Dr Smith, do you have a view on this? We are running out of time.

Dr Smith: Again, what the IPCC will be doing—it will not be using words like 'settled' or 'not settled'—is trying to classify the degree of agreement amongst the community and the scientists—the degree of certainty that we can get from models. Depending on which particular extreme event—and there are many, many different extreme events—this is where you will get the language like 'likely that there will be a change' or 'very likely that there will be a change'. You will get that sort of language.

In some areas, it will be neutral statements because the evidence is not in to say one way or another. In some other cases, like tropical cyclones in the North Atlantic, they have a much better evidence base to see what the changes are going to be. So it will vary greatly. In our

field of expertise, the areas where we do have a little more certainty than we have in others are things like extreme warm days, for example. We do know something about how they are changing, simply because the physics and the models allow us to have a little more certainty around that than we do around other events.

Senator FISHER: So do they remain areas of research for you—

CHAIR: That concludes the evidence to the committee.

Senator FISHER: I will put that question on notice.

CHAIR: Senator Fisher! Thank you, Dr Smith. I now call officers from the Great Barrier Reef Marine Park Authority.

Great Barrier Reef Marine Park Authority

[11.55]

CHAIR: Dr Reichelt, would you like to make an opening statement?

Dr Reichelt: No, thank you.

CHAIR: I invite questions.

Senator JOYCE: Yes, I have just a couple of questions. We have had a lot of reports that after Cyclone Yasi there was extensive damage to the Great Barrier Reef Marine Park. It has been suggested by some of the fishermen that this damage has created new islands where there were no islands and in some sections large sections of the reef have been decimated in such a way that the fish are gone. Can you confirm or just tell us exactly the extent of the damage by Cyclone Yasi?

Dr Reichelt: We had a very quick look about two weeks after the cyclone, just to give you the basis for our understanding. We have had teams out there over the last month or so, from Cairns down to the Bowen area. With respect to the rough scope, Yasi was a very big storm, with strong winds over about 15 per cent of the total reef. Of course, with strong winds, the reef is used to that. The intense damage is in a narrower space; I think it is something like six per cent. So you are talking about a few hundred kilometres.

Essentially, if you looked at that track map when it was happening, where the dark red was, it was very intense. We already have records of islands disappearing; sand cays off Beaver Cay, for instance, east of there, disappeared. I could not give you precise numbers but everything you said, I would say, is true, on the physical damage. The fishermen I spoke to tell me the same thing you have heard. We have seen after Cyclone Hamish, which went down the reef a couple of years ago, the coral trout particularly go totally off the bite. They are still there. The dory men tell me they can see them but they will not bite as they are trying to fish. I do not understand why that is, whether they are traumatised or why, but it means that the live trout industry in that area suffers badly. It leads to movement of the fishermen. So they are paying extra costs to go somewhere they were not normally. But you get the picture. It essentially has had a big impact.

Senator JOYCE: Is it going to grow back?

Dr Reichelt: Yes. The issue for the reef is how long it will take and the resilience of it. Where we come in, our interest is to make it a resilient reef so that it can bounce back from these things. The Bowen fishermen tell me that, after Hamish, it was more than a year before

the catches came back to normal. So it takes them a while. I am expecting the industry to recover.

Senator JOYCE: How much of the reef have we lost through coral bleaching?

Dr Reichelt: The two big events—I think there have been eight overall that I am aware of—were in 1998 and 2002, and on each occasion five per cent, or a bit more than five per cent, of the corals that bleached died.

Senator JOYCE: Did it grow back?

Dr Reichelt: The best way I could describe it is that, yes, the reef is largely in good shape at the moment. The tourism industry will tell you that too. Take a crown of thorns; if you take all the coral off a reef, which is what a crown of thorns infestation will do, down from, say, 50 per cent cover to two per cent cover, you are talking about 10 to 15 years to grow back. So, yes, it will. It depends on two things. One is a good stock of healthy coral somewhere else, for the breeders to come in, the larvae. And the other is that it depends on it not being disturbed again.

There was a report after Larry, which went across Innisfail, saying there was low damage to coral. I looked into the report a bit more. The reason there was low damage was that it had already been eaten by crown of thorns. So you have to look at the reef in terms of the accumulating impacts

Senator JOYCE: This is my final question. If you do not know, just put it on the record. Can you tell me, for the record, where the reef starts and what the difference in temperature variation and the sea level is there, where the reef ends, and what the difference in temperature variation is there and what the general temperature variation is overall for the reef?

Dr Reichelt: I cannot tell you about the sea level issue but I can talk about the temperature variation latitudinally. So you are talking from essentially off the coast from Bundaberg to Torres Strait; that is the Great Barrier Reef. It stops south of there because of the sand islands, and it continues north of there but it is called Torres Strait. It is a continuous system up into the straits. It covers 2,000 kilometres. There are a couple of degrees of variation in temperature, north to south, in terms of mean summer peaks.

With respect to the issue—I am not sure if this is why you are asking—of coral bleaching, corals live wherever they are at near their thermal maximum. They live on the edge of the top end of their ability to withstand temperature. So corals in Yemen live six degrees hotter than corals in the Barrier Reef. Can you take some from there and put them on the reef, or take some from the north and move them south? It does not seem to work that way. There have been experiments done. So the corals only have to be above, say, 31 degrees for about six to eight weeks to bleach. If it stays on for another few weeks after that, they die, and even though they are at different temperatures latitudinally.

Senator IAN MACDONALD: You are subject to the government's efficiency dividend?

Dr Reichelt: Yes, Senator.

Senator IAN MACDONALD: The portfolio budget statements show that your funding will be reduced by \$915,000 over the next four years; is that correct? I think it is on page 151.

Dr Reichelt: It would be, yes. I do not have it in front of me. Yes, it does go down over time.

Senator IAN MACDONALD: That is correct, though, is it—\$915,000 over the next four years?

Dr Reichelt: Can you tell me which page, Senator?

Senator IAN MACDONALD: Page 151 of the portfolio budget statements.

Dr Reichelt: Yes, that is correct. It is an ongoing reduction every year.

Senator IAN MACDONALD: You have clearly been very inefficient so far if you are going to be able to make those efficiency gains in the next four years! I say that not seriously. How are you going to make the savings?

Dr Reichelt: The efficiency dividends have been there for some time, as you are aware, and some parts of our budget are indexed so that we increase in the long run but the efficiency dividend comes off that indexation. Every year we look for new ways of saving in what we do. Our budget goes up and down by more than those amounts for other reasons—programs that come along year to year. We went up by a million dollars in the last two months because of work being done ad hoc for Cyclone Yasi, which I was just talking about. Periodically, new initiatives are made and the government either accepts them or does not in terms of the budget process. We keep looking for the efficiencies and our budgets do go up and down depending on major program changes.

Senator IAN MACDONALD: Will there be job losses as part of that saving of \$915,000?

Dr Reichelt: Again, that comes and goes with programs. At the moment we are projecting to reduce staff by five positions next year. It is principally because we have had some short-term funding programs that are concluding. That is not an unusual figure for us to go down by. Each year we make bids into the budget process.

Senator IAN MACDONALD: You went down by five last year; is that correct? From 220 to 215?

Dr Reichelt: Was it 220 or 212?

Senator IAN MACDONALD: My information is 220, the reduction—

Dr Reichelt: Sorry, 220 is correct. We have had a tightening in the last two years. We have had some ongoing positions conclude, some graduates, and some marine monitoring work that had been going on in the regional offices.

Senator IAN MACDONALD: But you obviously thought graduates and marine monitoring were important before. That has had to be cut. Is it no longer important?

Dr Reichelt: No, we have to prioritise all the time. With the tight fiscal times at the moment, we expect to maintain our programs. We look for more efficient ways of doing things and we have gone down by several in the last two years. We have also recruited with some short-term programs. As I said before, they come and go. We are doing some increased work in stewardship and reef guardians. We have recruited to implement some aspects of responding to the outlook report.

Senator IAN MACDONALD: I notice you talked about tight fiscal times. There does not seem to be any shortage of money in some programs of this government but there clearly is in your program. As you know, Dr Reichelt, I am a great supporter of GBRMPA and what they do, but I am concerned about how long you can keep cutting your staff by five persons every year and still maintain the same quality work that your organisation has become renowned for. Do you expect that this staff reduction will continue beyond this year? Where else are you going to get the \$915,000 saving?

Dr Reichelt: I would not want to speculate on the out year budgets, Senator. I think the efficiency dividends apply across the Australian Public Service and we adapt to that as it comes through.

Senator IAN MACDONALD: They do apply across the Public Service but the Canberra bureaucracy is going to increase by—what was it?—1,200 in the current year. For all the pre-budget talk about cutbacks, suddenly there seems to be plenty of money for Canberra staff, but apparently not for Townsville staff in GBRMPA. That is an observation, not a question. Is your environmental management charge scheduled to fall again this year?

Dr Reichelt: Our current projections are that it will be below our prediction. As you know, it is related directly to the number of visitors to the marine park. Our revenue has gone from around the \$8 million mark to \$7.5 million as visitor numbers have declined. The tourism industry is suffering quite badly in North Queensland and reef tourism is reduced. We are getting reports of operators winding back and insolvencies. So it is tough times for tourism.

Senator IAN MACDONALD: Where will the cutback in the environment management charge impact on your business?

Dr Reichelt: In the last couple of years we have found savings in travel and administrative costs. My financial advisers tell me each year that they are hoping it will flatten out or increase. It slowed this year and there were signs of perhaps a flattening of the decline, except for the extreme weather events.

Senator IAN MACDONALD: It is still reducing but the reduction has slowed.

Dr Reichelt: Yes.

Senator IAN MACDONALD: I guess you make your positives where you can.

Dr Reichelt: We have to adapt to the budget shift.

Senator IAN MACDONALD: Sure, but you have that pressure and then you have this \$915,000 from the so-called efficiency dividend. It must impact upon your operations. I do not want to put you in a difficult position but you keep saying you create efficiencies and you look at travel. You say the same thing every year. What else can you say? I am interested to know just where the work of the authority will be lessened by these quite dramatic reductions in your revenue. It must impact somewhere. You cannot save it all on reduced travel costs or—

Senator Conroy: I think that question has been asked a number of times now. I think you have got the same answer on the couple of occasions you have been asking that question, Senator Macdonald. I am not sure there is much more that the officer can add.

Senator IAN MACDONALD: You clearly did not listen, Minister. Sure, you will again look at your travel budget, your morning tea budget and all of that. But the work that the authority does cannot continue to accept cuts of a million dollars or more every year from efficiency. What was the figure you mentioned with the EMC? There has to be a diminution in the work that your authority does. You just cannot keep doing the same. I am asking, in the broad, what aspects of the authority's work will have to be scaled back.

Dr Reichelt: It is hard to answer. The way that is done is that if the serious decline in the tourism EMC continues, we would have to prioritise and it would be a matter for the minister to assess. But that is for the future. We have managed to find significant efficiencies. We have focused our work. We run our field programs increasingly on a risk basis. We are not trying to spread ourselves as thinly as we might once have.

Senator IAN MACDONALD: Can you tell me—now or on notice if you do not have it—the change in staffing of GBRMPA with Townsville based staff as opposed to Canberra based staff over the past 12 months and projected for the future?

Dr Reichelt: Canberra has not changed; there are three staff here. I think you have the figures for North Queensland.

Senator IAN MACDONALD: Yes, that is fine. Senator Joyce has asked questions about the cyclone impact on the reef. Did you note Professor Flannery's comments in the Climate Commission report yesterday that effectively said nothing Australia does will reverse any impact that climate change might be having on the reef and that, unless the whole world does something, the reef is more or less doomed to failure? Am I accurately summarising what was reported as what he said?

Dr Reichelt: I have not had time to read that report in detail. I saw it briefly this morning and I have read the media reports. The gist of the reports that I have seen reflect the Outlook 2009 report that we published and that the government released at the time. The way it is worded there is that the reef is at a crossroads now. It is decisions taken in the near term that will affect its long-term future. That breaks into the global position, which is outside the scope of the marine park authority, and the local responses to build the health of the reef to withstand the projected pressures on it. So we are focused on building the resilience of the reef, which is the scope of the authority.

Senator IAN MACDONALD: But you are not as pessimistic. The chances of the world agreeing, as Professor Steffen said—my opinion, but I think everyone shares this—are pretty negligible, which, according to Professor Steffen, then means the reef is ruined. That is not the general approach of GBRMPA. You believe there is a future and that it will adapt to climate change to a degree?

Dr Reichelt: There might be some adaptation. I do not disagree with the tenor that in the coming decades, which is the scope of the trend lines that are painted, and as the outlook report shows, with something like CO₂ equivalents of 450-plus, you can expect to see substantial catastrophic loss of corals worldwide and on the Barrier Reef. We are headed there quite rapidly. I did not find anything exaggerated in the executive summary, in the short paragraphs I read in the report released yesterday. Our own report probably has more dire predictions in it in 2009. So that is the longer term. The level of adaptation of the ecosystem

and our ability to build its health up is probably the only variable that I can address in the marine park.

Senator IAN MACDONALD: I think in your 2009 report you indicated that sediment run-off was a greater problem to the reef than climate change.

Dr Reichelt: The outlook report gave climate change as the primary risk; water quality was second; loss of coastal habitat; and then some residual effects of fishing.

CHAIR: Dr Reichelt, I am just having a look at your report now. It is quite dire in terms of the predictions. The predictions in the Climate Commission report talk about declining alkalinity and increasing acidification in the reef having an effect on the calcium carbonate shells. Is that a scientific fact that they are talking about?

Dr Reichelt: Yes, it is. One piece of the report that I did read this morning says that the impact on polar ecosystems will be greater. There is strong circumstantial evidence that the impacts of changing acidity began to have an effect on the Barrier Reef in the early 1990s. So we are already, from the reef point of view, in dangerous territory in terms of acidity. The level of the pH in the ocean—and I did see the graph this morning—shows that we already have an acidity of the ocean that has not been seen for 25 million years, which is pretty much how long corals have evolved. They went extinct and then they re-evolved about that long ago. It is a big concern. This is empirical evidence from the 300-plus coral cores. And they were not taken at one place on the reef; they were taken from 70 different reefs.

CHAIR: You have scientists employed in the authority?

Dr Reichelt: We have interpretive scientists. Those results come from the Australian Institute of Marine Science.

CHAIR: So you have your own scientists plus you use external scientists?

Dr Reichelt: Yes.

CHAIR: So the evidence that is coming to you is quite clear. There is increased CO₂; that is increasing both the temperature and the acidification of the Great Barrier Reef?

Dr Reichelt: To me it is very clear.

CHAIR: It is very clear?

Dr Reichelt: Yes.

CHAIR: So climate change is a problem in the Great Barrier Reef?

Dr Reichelt: It is the single greatest threat to the Great Barrier Reef. The reports from yesterday, to me, were not an exaggeration.

CHAIR: Thanks. Senator Birmingham will get a couple of minutes.

Senator BIRMINGHAM: Thanks, Chair. Do you have a range of functions that allow you to provide penalties or enforcement notices for different activities in the precinct?

Dr Reichelt: Yes.

Senator BIRMINGHAM: What number of penalties have been provided or enforcement notices issued during the course of this year and for what different activities?

Dr Reichelt: I am sorry, Senator, I do not have those statistics with me. I would have to take that on notice.

Senator BIRMINGHAM: Okay, take that on notice—a breakdown across the different enforcement areas and how that compares year on year.

Dr Reichelt: If I can get it in the course of this hearing, I can provide it straightaway. I will do my best.

Senator BIRMINGHAM: Normally I would say it is fine to take it on notice and come back to us later. But there is a risk we will not see it until the day of the next estimates hearing. If you can table it today, that would be a far quicker approach. But either way is fine, thank you.

CHAIR: I never took you for a cynic!

Senator BIRMINGHAM: I am just acting on the evidence before me, Chair.

CHAIR: Scientific evidence?

Senator BIRMINGHAM: Very empirical evidence indeed.

CHAIR: Sorry, Senator. I should not have interrupted.

Senator BIRMINGHAM: In regard to some of the areas where laws have been strengthened, those areas such as the increased penalties around oil spills or, on a different front, strengthening of development applications related to the reef having to be considered under federal environmental law and through the EPBC Act, are there increased instances, or instances of either fines being issued for spills or the like, or increased numbers of referrals that you are aware of?

Dr Reichelt: I do not believe there are in terms of spills. I think we have not seen anything unusual there. We did have the major shipping incident a year ago. But there has been an increase in major project assessments based on the mining boom and the increase in coastal development that is occurring along the Queensland coast. I do not have the numbers of those, but with the amount of work happening, in working with the department—and we work together on those now, because our act and the EPBC Act have been aligned—that has been increasing in the last year or two.

Senator BIRMINGHAM: That was where I was going in that regard—the consultation between the department and the work with GBRMPA as to those approval processes. That has been integrated and aligned and now operates fairly seamlessly; you are consulted and involved in all of those approval decisions?

Dr Reichelt: Yes, we are closely consulted. Where we have an application made to us, we would consult the department. It is a seamless process now.

Senator BIRMINGHAM: Thank you. Lastly—and certainly take this one on notice—could you provide me with a summary of the regulations that exist around fishing and how they differ for Indigenous and non-Indigenous fishing activities and so on in the authority precincts? That would be appreciated

Dr Reichelt: Yes, we can do that.

Senator BIRMINGHAM: Thank you.

CHAIR: Thanks, Dr Reichelt.

Department of Sustainability, Environment, Water, Population and Communities

[12:25]

CHAIR: I welcome the Director of National Parks. Mr Cochrane, would you like to make an opening statement?

Mr Cochrane: No, thank you, Chair.

CHAIR: I invite questions. Senator Siewert?

Senator SIEWERT: Thank you. I would like to ask about Christmas Island at some stage but first I want to ask some general questions about the NRS program, if that is okay. As I understand it, \$38 million was set aside for the NRS through the business plan in this financial year. I am wondering how much of that has been committed and how much is likely to be—is it all spent for this financial year?

Mr Cochrane: We have approvals for 27 projects this financial year, which total \$38 million. We are working our way through those. A number have been purchased but not yet announced. Most are in negotiation with either contracts with the proponents or we are still finalising contracts. We have some new proposals to put to the minister as well. It is still a moving feast, I am afraid. I will probably leave it there at the moment because we are earnestly finalising a number of contracts with proponents as we speak.

Senator SIEWERT: We have discussed this before where you cannot quite sign off before the end of the financial year. If that does not happen, you have other projects already—

Mr Cochrane: That is correct. We have a reserve list because, as you know, some projects fall over. Also we need to manage the risk, in that sometimes projects are more expensive than originally forecast and sometimes they are under.

Senator SIEWERT: In terms of the cumulative amount that you have spent since the beginning of this particular round of the program, in other words Caring for our Country, how much does that add? How close are you to the \$180 million?

Mr Cochrane: We have spent \$62.1 million so far under Caring for our Country, and that has resulted in the purchase of 45 properties.

Senator SIEWERT: That is right, isn't it—there was about \$180 million committed?

Mr Cochrane: That is correct.

Senator SIEWERT: You have spent \$62.1 million, plus the \$38 million for this year?

Mr Cochrane: Correct.

Senator SIEWERT: So you still have about \$80 million to go; is that correct?

Mr Cochrane: More or less, yes. In fact, it is very close.

Senator SIEWERT: That is on track?

Mr Cochrane: That is on track.

Senator SIEWERT: Last time, or it might have been the estimates before last—it might have been several—we were having the discussion about what percentage of the cuts or how much was cut from the NRS program, for the cuts that were made to the program last year. At the time, if I recall, it was a bit unclear whether you were going to get cuts and how much of the share you were going to sustain. How much of the share has the program sustained?

Mr Cochrane: I cannot say we have sustained any cuts. The cuts that were made to the program overall are still not reflected in any particular part of the program. We are driven by the target. I believe we are on track to meet the target of the 25 million hectares addition. That is what drives the investment strategy.

Senator SIEWERT: I know that I do not ask about the environmental stewardship program here; I have to ask about that in the next session. As I understand it, there is a program to secure nearly 26½ thousand hectares. Do you work with any of those landholders in any way to talk about ongoing protection—long-term protection or co-management as part of the conservation estate?

Mr Cochrane: There is a fairly clear line between the environmental stewardship program and the national reserve system program. Under the NRS program we do fund covenanting organisations to support covenanting of private lands, but the primary criterion there is that they are covenants in perpetuity. Under the environmental stewardship program they are of more limited duration and, therefore, do not count towards the NRS targets.

Senator SIEWERT: So there is no interaction between the covenanting program, the NRS and the environmental stewardship program.?

Mr Cochrane: There is one at least. That would be that, to the extent that landholders become comfortable with the notion of covenanting their land, they may then consider moving to covenanting in perpetuity.

Senator SIEWERT: I want to go to the report card from 2008-09 where the NRS program was rated under manageable risks as 'on track', which was the lowest of the scores. Have you done any analysis of why that got that rating and, if so, can you share it with it us?

Mr Cochrane: The primary reasons for our not doing so well in that first year were the bedding down of the new systems, the new contracts being developed under Caring for our Country and the primary emphasis on a competitive round for applications. As you would be aware, one round of inviting applications does not work that well with the national reserve system when properties become available on the market at different times through the year. We have moved to a system where we can accept proposals through the year, and that has improved the efficiency with which we work. We increased the number of hectares acquired in the second year of the program by about an order of magnitude from the first year; we secured about 1.2 million hectares in the second year. The first year was a start-up year. We are expecting to add over one million hectares this year as well.

Senator SIEWERT: That was the question that I was going to come back to. It is all very well spending \$38 million, but how much are you adding? It is one million hectares

Mr Cochrane: Yes.

Senator SIEWERT: So you consider that you are on track to make the 25 million hectare target?

Mr Cochrane: Yes, because that target also includes Indigenous Protected Areas, as you would be aware.

Senator SIEWERT: I have a budget question about the agency resource statement. I am aware that this probably has a simple answer which I cannot work out. Payments from related entities are on page 131 of the portfolio budget statement. It says: 'Payments from related

entities,' and then says that the total estimate for 2011 was \$41,485 and the actual available appropriation for this year was \$46,444. What is the difference there between last year's income and this year's income?

Mr Cochrane: There are a number of items that change year by year, but the predominant one is the scheduled reduction in funding that we received from a new policy proposal for dealing with asbestos. It is scheduled to be \$4.1 million next year, so that is the primary component of that drop. So, in a sense, this current year, we received extra funds—

Senator SIEWERT: For that.

Mr Cochrane: Yes, and we are back to a lower level.

Senator SIEWERT: So it is not a drop in your operational budget? You have maintained your operational budget?

Mr Cochrane: Correct.

Senator SIEWERT: Can I move on to Christmas Island? Do I ask about crazy ants here?

Mr Cochrane: Yes; we are crazy ants.

Senator SIEWERT: You got \$4 million for crazy ants in the budget?

Mr Cochrane: Yes.

Senator SIEWERT: We were told yesterday in Regional and Transport that that was not new money; someone in the environmental stewardship program said that was not new money. Do I find out from you, or later, where that money comes from, if it is not new money?

Mr Cochrane: The source of that funding is actually specified in our portfolio budget statement, at the top of page 138.

Dr Grimes: I may be of some assistance here. That is new money that is being provided for the continuation of the yellow crazy ants program. The drafting here indicates that the amount is coming from Caring for our Country and then also a redirection from the National Environmental Research Program.

Senator SIEWERT: That is what I wanted to know. As I understood it, the money that was coming in for other programs yesterday was new money outside of the normal Caring for our Country budget. This money is actually coming from within Caring for our Country.

Dr Grimes: Some of the money is coming from within Caring for our Country.

Senator SIEWERT: And the other is coming from a redirection.

Dr Grimes: Yes, that is correct.

Senator SIEWERT: So what isn't that money being spent on, if it is a redirection from another program?

Dr Grimes: That is from unallocated amounts in the National Environmental Research Program for future years that have not yet been locked in—

Senator SIEWERT: That have not been allocated yet.

Dr Grimes: Were not locked in.

Senator SIEWERT: So no money has been taken from another program to fund this program?

Dr Grimes: There has been a reduction in the size of funding provided for that program in the forward estimates; it is indicated as a savings measure in the budget statements. That is being used in order to meet other priorities within the department, one of which is the yellow crazy ants program.

Senator SIEWERT: Can I go back to the other Christmas Island issues that I always ask about. Where are we up to with the feedback from across the other portfolios regarding the recommendations from the expert working group's final report?

Mr Cochrane: I am pleased to say that we now have responses from all portfolios, so we are now finalising that. We will need to put that to the minister, but our basic cross-portfolio coordination exercise has concluded. So it should not be too long before we can release that. But I should add that we have been undertaking as many of those actions that have been recommended as we can within existing funding levels. On a number of them, we are doing quite well.

Senator SIEWERT: It is hard for me to ask anything further about a number of those actions until we see the report. Is it anticipated that that report will then be released?

Mr Cochrane: I believe so, yes. That decision is up to the minister, but that has certainly been past practice.

Senator SIEWERT: I appreciate that, but that is the expectation. I am not going to ask for time lines, because I know that I will not get anywhere. In terms of the flying fox population, last time we talked about the regional recovery plan. Is that right?

Mr Cochrane: Yes.

Senator SIEWERT: Where are we up to with that?

Mr Cochrane: Again, the final draft is now under review. Let me just confirm that. It is being reviewed. I think we forward it to the Approval and Wildlife Division for their commentary for compliance with the requirements of the EPBC Act. and then it will go out for consultation.

Senator SIEWERT: What is the time line for that?

Mr Cochrane: My guess is that it would be within a month or two.

Senator SIEWERT: With regard to the expert working group report you have said that some of the measures are already being undertaken.

Mr Cochrane: Yes.

Senator SIEWERT: Is it likely that you would be able to implement these in your current budget or will you need more funding in the future?

Mr Cochrane: The things that we can implement within our budget are largely the things that need to be done within the park, but there are a number of recommendations which apply across the island and they would be certainly outside our capacity to support.

Senator SIEWERT: Then there is a process of going through to regional—

Mr Cochrane: Perhaps I can short circuit the question. We are looking for other partners. We have received, I believe, some funding from the Department of Regional Australia to support some of the works on cats.

Senator SIEWERT: That is where I figured you had to go to now.

Mr Cochrane: Cat control is a big issue on the island, but there have been some great successes there. Regional Australia has been very supportive in working with us there. So they have part funded that program.

Senator SIEWERT: That has already been funded.

Mr Cochrane: It has been funded in the settlement at the moment. That is the major source of where they tend to come from, so we are focusing on that at the moment. As you would be aware, they are a significant threat to sea bird nesting in and around the settlement, so we are concentrating activity there first.

Senator SIEWERT: Can I go back to crazy ants. I presume that funding is to extend the work that you have been doing already on crazy ants.

Mr Cochrane: Absolutely, yes.

Senator SIEWERT: Last time we talked about the planning process, the process you are already undertaking. So that is a continuation of that?

Mr Cochrane: Yes, and the research work looking for alternative baits and for biological control approaches so that we can get away from the bait that we use at the moment.

CHAIR: What effects have global warming and climate change had on Australian national parks?

Mr Cochrane: At the moment our two biggest concerns would be increase in temperature and sea level rise, which would be obviously a problem for coastal parks. Kakadu is obviously in the frame there and is regularly identified as being at significant risk from climate change. At the moment the forecasts for the next 20, 30 and even 50 years are unclear in terms of rainfall—at least in the northern parks, and our parks are predominantly in the north of Australia. So it is unclear whether rainfall will increase or decrease. But temperature is certainly predicted to go up, and there will be impacts on the plant and animal life and also on visitors. We expect the number of extremely hot days to increase significantly. In the long run, our greatest threat would be sea level rise. So we are not seeing that impact yet. The movements are too small, given the seasonal variations that we get, to really pick up an effect yet. But the forecasts are certainly extremely worrying.

CHAIR: Do you have scientists employed by National Parks?

Mr Cochrane: We do, but our predominant scientific effort is done in collaboration with other research institutions—CSIRO, universities and scientists in other park agencies.

CHAIR: Have you read the CSIRO climate change document that has come out recently?

Mr Cochrane: No, but I have read the executive summary.

CHAIR: Do you agree with the projections there on sea level rise?

Mr Cochrane: Whilst I have a scientific background, my expertise is not oceanography. I take their views as those of the relevant experts.

CHAIR: Have you seen any other scientific peer-reviewed arguments that would say that this sea level rise will not happen?

Mr Cochrane: I have seen reports to that effect, but my understanding is that the vast majority of scientific evidence points to sea level rise.

CHAIR: We were told that predictions are trending towards the higher end of projections. What are the implications for Kakadu if those predictions come true?

Mr Cochrane: If those predictions are accurate it will have a profound effect on Kakadu and the wetlands because the vast majority of the South Alligator floodplain sits just one or two metres above sea level.

CHAIR: When you say 'profound implications', do you mean in terms of fauna and flora?

Mr Cochrane: Changes in vegetation. The freshwater environments of Kakadu are 3,500 to 4,000 years old. They are relatively recent in geological time frames. The environment of Kakadu has changed dramatically while Aboriginal people have occupied that landscape. They have been there for an estimated 60,000 years. During that time there have been a couple of glacial periods and sea level has been dramatically different from where it is. As I said, those freshwater floodplains are really aged at about 3,500 to 4,000 years old. So it has been an environment of some very considerable change, but we are anticipating that change will continue to happen. The major issue for us is the rate at which it will happen, not the fact that it will happen.

CHAIR: What will be effect of the acidification of the sea?

Mr Cochrane: I have seen no reports on what acidification would do to our terrestrial parks or to Kakadu, for example. As you heard in earlier testimony, it has a potentially profound effect on coral reefs.

CHAIR: Have you done any analysis as to whether the fresh water of Kakadu Park absorb the CO₂ as well? I assume it would.

Mr Cochrane: The vast majority of water that falls on Kakadu and its catchment ends up in the ocean, with roughly two to 2.5 metres annual rainfall flooding out during the wet season. So the storage of carbon in Kakadu would be predominantly in the vegetation—woody vegetation.

CHAIR: Thanks. Senator Birmingham?

Senator BIRMINGHAM: Mr Cochrane, the parks network has expanded quite significantly over the last few years, has it not?

Mr Cochrane: That is correct.

Senator BIRMINGHAM: By what proportion, generally speaking?

Mr Cochrane: Very roughly, in the 15 years of the National Reserve System Program, and its slightly earlier precedents, about a 50 per cent increase in the area under parks and reserves and protected areas.

Senator BIRMINGHAM: In 15 years—

Mr Cochrane: In 15 years it has about doubled. It was roughly 50 million hectares. It is now just over 100 million hectares.

Senator BIRMINGHAM: Excellent. How has your capacity and funding dedicated to dealing with invasive species and feral pests changed over that similar period?

Mr Cochrane: I should add that all of that increase is owned and managed by other parties, predominantly the states. That is primarily a matter for them. Obviously we take note of how they are managing those lands, but the primary responsibility for that sits with the

state park agencies, with the Indigenous groups that are managing Indigenous protected areas and the growing private reserve component of the national reserve system.

Senator BIRMINGHAM: What standards does National Parks set for those other bodies in terms of management of feral pests and invasive species?

Mr Cochrane: We require that they have management plans in place which identify the key values for each of those areas and the key threats and the actions that they will take to manage those threats.

Senator BIRMINGHAM: Are those management plans audited?

Mr Cochrane: For state park agencies, I think the majority would be, but not formally by auditors. Each agency is, and has been for many years, working on measures to be able to monitor the effectiveness of management plans and their activities. We are the same. It is an incredibly difficult task to be able to point to how much we are succeeding in some of those measures. It is very easy to measure inputs into the system—amount of money or staff time or areas weeded et cetera—but it is extraordinarily difficult to measure the effectiveness of that in the long-run on the biodiversity.

Senator BIRMINGHAM: In your KPIs for this year and the forward years you have no net increase in the distribution or abundance of significant invasive species.

Mr Cochrane: Correct.

Senator BIRMINGHAM: Have you been meeting that KPI?

Mr Cochrane: We are assembling the report for this financial year. We do address that in the annual report that was tabled in parliament last October. I think we said that, on the most significant species, we are covered. We said:

We are monitoring 20 significant invasive species across our six major reserves. Of those populations five are increasing. Three are remaining steady, four are decreasing and for eight we still do not have enough information to be able to conclude clearly.

Senator BIRMINGHAM: Of the five that are increasing, what are those species and in which of the reserves are they most predominant?

Mr Cochrane: I would have to take that on notice. I would say Christmas Island and Kakadu are probably the ones that are most likely to have the increases in population. They are the most challenging for us.

Senator BIRMINGHAM: Could you take it on notice and give us that detail?

Mr Cochrane: Sure.

Senator BIRMINGHAM: Perhaps across all 20, so we get a fair picture of those that are reducing as well.

Mr Cochrane: In association with the annual report, we publish every year what we call the *State of the Parks* reports, which have a lot more detail than the summary that is in the annual report. That is on the website. That information may already be published. If it is, I will refer you directly to it. I think we provide that level of detail.

Senator BIRMINGHAM: Sure. Thank you, Mr Cochrane. That would be very much appreciated. Why do Christmas Island and Kakadu present such significant challenges?

Mr Cochrane: For Kakadu it is the size—it is two million hectares. It is a very diverse environment and, given the wet season, parts of it are not accessible for probably a good third of the year—although some of our most effective weed work is undertaken in the wet season, when we can access areas by airboats. Once the roads start drying out, we can get into areas. It is just about the sheer size of the park. I think 50 per cent of Christmas Island's plant species are exotics. This is due to many decades of a lack of any effective quarantine for invasive plants in particular. Some of them were planted deliberately in early rehabilitation efforts. As Senator Siewert knows, it is very challenging to get around Christmas Island because it is full of limestone pinnacles. Getting to areas on the island can be quite dangerous, which is why we do some of our invasive species control from the air.

Senator BIRMINGHAM: Thanks, Mr Cochrane. Changing tack briefly—Senator Siewert has covered the yellow crazy ants for me—the PBS states that efforts will be increased to grow and diversify the revenue base of National Parks. Can you outline those efforts and the expected returns?

Mr Cochrane: Yes. We are well advanced on a project to look at our licence and permit fees. It is not a simple task, but it is something we keep in reasonably regular review. Our primary income comes from entry fees, so the most efficient means for us to increase income is to increase visitor numbers. We work very closely with the tourism industry both nationally and at a local level to identify opportunities to increase visitor numbers because there is a very simple multiplier that works there. We have looked—not very carefully—at merchandising options. But our most effective means of raising revenue is to increase visitation.

Senator BIRMINGHAM: Is there currently a strategy in place to increase that visitation?

Mr Cochrane: I am not sure I would call it a strategy. About half of our visitation comes from Uluru and Kakadu combined, so we work very closely with Tourism NT. Tourism NT has been funding major campaigns in the domestic market to raise visitation to Kakadu and Uluru because of the flow-on effects to the Territory. There is a very strong collaboration there. We have a very strong collaboration with Tourism Australia with much the same aim—more broadly, for visitation to protected areas. At Booderee at Jervis Bay we have the reverse problem. Because it is so popular over summer and school holidays we have to run a ballot for camping sites and visitation to the park.

Senator BIRMINGHAM: In terms of the review of licence and permit fees, you said you are beginning a process. Can you talk me through that process?

Mr Cochrane: We are looking in particular at the commercial leases we have. We lease out cafes and shops in some of our parks. Some of those are under arrangements that were negotiated many years ago. We are looking at opportunities to achieve some greater consistency and some better returns from those. Our more recent licences and leases reflect a more commercial return for us from those activities. Some of them, as you might imagine, are under agreements which have a longer life.

Senator BIRMINGHAM: So entry fees, camping fees, those types of fees, are not part of that review? Is it more of a review of fees that relate to the commercial operation of the parks?

Mr Cochrane: We would keep camping fees under review. As they change in similar parks run by other agencies or in the same region, we would look to make sure that we

maintained some sort of parity with those. The other opportunity for us is that, if we improve the investment in some of our camp grounds and upgrade them, we have a better chance of charging something more for them. We have a three-level fee at Kakadu. If we improve the facilities at a number of our camp grounds—for example, by moving from pit toilets to ablution blocks—then we can increase fees. They also become more popular and there is increased visitation.

Senator BIRMINGHAM: Do you undertake comparisons of those fee structures between camping options in your parks and others—entry fee options, et cetera?

Mr Cochrane: From time to time but probably not in the last year or so. We have certainly received and commissioned some excellent studies looking at comparative rates just to make sure. We are benchmarking ourselves.

Senator BIRMINGHAM: If there is some data that you are—without blowing any commercial sensitivities—able to provide on notice on comparisons, that would be appreciated. Do you also keep data on the numbers of people climbing Uluru?

Mr Cochrane: In just the last few months we have installed counting devices to measure people who are climbing.

Senator BIRMINGHAM: We will now be able to collect data on that? Certain estimates, I assume.

Mr Cochrane: We have regularly surveyed. Our previous information has come from surveys and people's responses as to whether they climbed or not. We have conducted those regularly. We are now interested in a much more precise set of numbers.

Senator BIRMINGHAM: The last amendments to the management strategy settled on a form of words that essentially said, 'We respectfully request people to consider not climbing.'

Mr Cochrane: That is correct.

Senator BIRMINGHAM: Or something to that effect. Do you have any evidence to date as to what the trends are in those who choose to climb or choose not to climb?

Mr Cochrane: Our survey data suggests that the proportion of people climbing continues to decline, but in my view we do not have enough quality information to be able to answer that question as precisely as I would like. That is why the board and traditional owners agreed that we would install counting devices on the climb.

Senator BIRMINGHAM: It is a good few years since I have been there. What are the counting devices and where and how have they been installed?

Mr Cochrane: It is an infra-red beam, which is broken as people go past it.

Senator BIRMINGHAM: Very good. That should be accurate, and it sounds like it is fairly low impact. You have not put a turnstile on the side of the rock.

Mr Cochrane: Cheaper than a survey!

Senator BIRMINGHAM: Thank you, Mr Cochrane.

CHAIR: Thanks, Senator Birmingham. That concludes this morning's session. Thanks, Mr Cochrane.

Proceedings suspended from 12:59 to 14:01

CHAIR: I now welcome officers from the department in relation to program 1.1, Sustainable management of natural resources and the environment. Before I invite questions, Mr Thompson, I think you have some responses to questions that you want to put on the record.

Mr Thompson: Senator Birmingham asked a question this morning about Senior Executive Service separations in the department. From 1 May 2010 to 30 April 2011 there were a total of eight separations at SES level. I have excluded from these numbers separations due to machinery of government changes, in particular the arts and culture functions leaving the department. He also asked about separations by area of the department. Two of those, both retirements, were in our corporate division. One was in parks; that was also a retirement. One was in heritage. One was in housing, which was a new function coming to us. One was in land and coasts, which was also a retirement. And two were in senior levels of the department—deputy secretaries—both of which were retirements. Senator Macdonald asked a question about the differences between official hospitality expenses covered by the department and those covered by the Department of Finance and Deregulation. The simple answer to that is that the Department of Finance and Deregulation covers non-portfolio-related Australian government hospitality while overseas. Where a minister is overseas and representing the government in a wider capacity which is non-portfolio related, the Department of Finance and Deregulation covers those costs of hospitality. All other domestic and international official hospitality would be covered by the department.

Senator TROETH: I have a question about the program. I note that, on this afternoon's program, program 1.1 is scheduled to run from two o'clock till, I presume, six o'clock, and then we have one hour for program 1.2. If we finish program 1.1 earlier, is it possible to bring 1.2 into that earlier time frame?

CHAIR: I suppose it is possible, but I do not think we will finish early.

Senator TROETH: But if it is possible it will be done?

CHAIR: Yes, if it is possible—but I do not think we will finish early.

Senator TROETH: If we do, though, will we be able to bring 1.2 further up the program?

CHAIR: That depends on the availability of officers.

Senator TROETH: If they have been warned at this stage, I am expecting that they will be here then.

CHAIR: This is now the third time I have been asked this question. I was asked twice by Senator Fisher. You are now asking the same question. I think this session will run its full length and that is what I am planning on. The reason we tried to set down some times—and this was done on a cooperative basis—was to ensure that the officers did not have to be here, hanging around all day—that they knew when they were on and when they would be finished. I think that is an appropriate thing to do. The timetable is set out. I think we will take up the full time. So it is a bit hypothetical. Let us wait and see whether we get through it or not. I would doubt it, but let us see how we go. Unless the opposition has no questions, I think we have some questions to get through.

Senator TROETH: Nevertheless, I just wanted to put the possibility on the table.

CHAIR: Thanks for that.

Senator FISHER: Chair, in the event that we do not take the full duration of time, I ask that you indicate to the officers responsible for 1.2 that they will be asked to appear before the dinner break—in the event that we do not take the full time for program 1.1. And if you are not prepared to so indicate then I would seek a private meeting to discuss the issue.

CHAIR: I am happy that they should be asked to appear if we get through it. But, as I said to you, I doubt whether we will get through this.

Senator FISHER: Thank you.

Senator BIRMINGHAM: I understand that submissions have just closed—at the end of last week—on the review of Caring for our Country. Is that correct?

Mr Flanigan: Yes. The first stage of the consultation phase—the formal submission process—closed on 20 May.

Senator BIRMINGHAM: How many submissions have been received?

Mr Flanigan: The figure I have is that we have 234 written submissions. We will be expecting a few additional submissions from people who have contacted us about the likelihood of making late submissions. We also ran, as part of this review process, an interactive webpage with a discussion site, and that logged 26,500 page visits attributable to 2,900 unique visitors.

Senator BIRMINGHAM: As it was an interactive page, I am assuming there was scope for people to provide feedback through that page?

Mr Flanigan: Yes. That was an arrangement we set up where we tried to use the new web technologies. We identified a series of thematic questions and then people engaged in discussions not only with us but also with each other, so it became a bit of a record of who was doing what. We have had that site moderated by an independent company. I have not yet had the report from them about exactly what all the issues were that people were raising.

Senator BIRMINGHAM: How does the number of hits and unique visitors that you mentioned relate to the number of comments or contributors?

Mr Flanigan: There are obviously a lot of people interested in using electronic material. Paul, do you have any stats on how many people left notes?

Dr Salmond: We have records from a little under 3,000 unique visitors—about 2,900—who have gone in. About 234 of them left specific comments. I think that is what Mr Flanigan was referring to—234 visitors. The number of formal written submissions is, I think, 175 at the moment. There was also a capacity for those going in to agree with comments that others had left. About 250 distinct visitors agreed with comments left and about 50-odd disagreed with comments left. It is hard to tell if there is duplication or overlap but potentially, of that 2,900 who visited the site, about 500 could have left comments.

Senator BIRMINGHAM: Have you had a chance to look at any breakdown of those who have commented either through written submissions or via the interactive website as to how many have come from NRM groups or the like?

Dr Salmond: It is difficult with the online consultations, because unless they identify themselves as such we cannot really make that connection. Obviously we will be able to do that kind of breakdown with the formal written submissions we have received but, given that

the closing date was only on Friday, we are still processing those now. We will have those figures presently.

Senator BIRMINGHAM: Is the review being managed internally?

Mr Flanigan: That is correct.

Senator BIRMINGHAM: So by officers within this section of the department?

Mr Flanigan: Yes. As you know, the Caring for our Country program is a joint initiative between us and the agriculture department. We have a little unit that we have put together that is driving our work, but we are drawing on inputs from across our program from other parts of the agencies—for example, the Heritage Division and those types of things—and we have a range of other inputs into the review. We have a number of consultancies running and activities with the HC Coombs Policy Forum at the ANU—those types of activities.

Senator BIRMINGHAM: What is the time line going forward, and what is the next stage and beyond that?

Mr Flanigan: Part of the driver for the review, apart from just good program management, is that the original outcome statement for Caring for our Country runs through to 2012-13. So it is an opportune time for us to look at what form and shape the NRM programs will take into the next outcome phase. With that in mind, our expectation and the sort of calendar we are working towards are to continue our consultations with the public and work out some advice to government on the nature and shape of the future programs so that government can take some decisions around that ahead of the current set of funding arrangements coming to an end. The thing we are trying to avoid is a lot of uncertainty for the groups that are reliant on the NRM programs at the sort of 2013 point.

Senator BIRMINGHAM: I would like to get a little more detail and be a little more precise around that. As the end point for this review process, are you expecting to produce a public document that all can see of the department's findings from the review?

Mr Flanigan: There is still a decision to be taken by the ministerial board as to exactly what that would look like, but we are at this stage producing a summary document of the materials that people have given us during the consultation process. That will be made public. That decision has already been made. We intend to also produce a number of issues and discussion papers that will pull together the threads of the things we have been hearing during the consultation phase and put those on the web.

Senator BIRMINGHAM: And the submissions have also all been made—

Mr Flanigan: All the submissions are on the web.

Senator BIRMINGHAM: Yes, that is what I thought.

Mr Flanigan: In addition to the submission processes we have talked about, we have also had a round of face-to-face meetings around the country in each capital city with a range of stakeholders, so we have been taking, if you like, personal commentary from people.

Senator BIRMINGHAM: Are there plans for similar such activities flowing on from the production of these discussion papers?

Mr Flanigan: At this stage, our thoughts around the discussion papers are not that we will have another round of active submissions from people, because that does lead to a bit of consultation drain; the intention is to have them on the web, to keep open the interactive

website so that people can continue to give us commentary. We are looking—we have not made any firm decisions at this stage—at how we can re-engage with key stakeholders around options and the like as we move to the second half of this year.

Senator BIRMINGHAM: Given that this is a review being undertaken internally by the department, why hasn't a commitment already been made to ensure that its findings are made public? It is important that there be a level of confidence in the review process here. As it is already an in-house review, surely the next best thing to give that confidence, if it is to some extent the department reviewing the department's policies, is at least a commitment that that will all be done in as public and transparent a way as possible.

Mr Flanigan: At the end of the day this is producing input for a deliberation of government as to the settings they want to adopt for the next phase. So that is really a question for the ministers.

Senator BIRMINGHAM: I think it would be very important to the government to give some clarity and certainty around this and to make sure that there is a commitment. This is an area where there is a large expenditure of taxpayer money. It is a large area of engagement with a lot of community groups and entities, and I know that interest in the findings of this review is as strong as the interest in participation in it. We have seen that there is strong interest in participation. You have had a couple of hundred submissions and a significant number of visits to the websites. All of those people would want some comfort that their views and thoughts do not just vanish into the ether of government. Your discussion papers might provide the first step to that but not clarity as to what the final recommendations are.

Mr Flanigan: At this stage of the process, our currently planned activity around making sure we continue this relationship with all of those stakeholders is to focus on the discussion papers and our report on what people have said in the consultation phase. Certainly the feedback we have been receiving personally when we are out and about talking to people is that generally people have found this to be a very open and genuine process. With regard to the sorts of issues that people have been telling us about, when we reflect those back to people they tend to give us the sense that we are hearing what they are saying.

Senator BIRMINGHAM: Do you have themes or topics set as yet for the discussion papers?

Mr Flanigan: We have, and my colleague last night ran through our current thinking on what they might cover. That is an internal working document. We have not settled it down hard and fast yet. Some of the key themes that have been coming through the consultation process have been things like the need to have better alignment between national, regional and local priorities for natural resource management; the desire for more transparency in the way we set national priorities; the need to clarify the respective roles between levels of government and the NRM groups and bodies and other organisations involved in this space; and issues around the degree to which the Australian government should be expecting the states to make matching contributions into this space. That issue has come up quite a lot. One of the things that was a fairly heavy criticism of the program in the early days—and I think it has been rectified with things like community action grants—was that people were asking us to re-engage in the capacity-building and skills development space, so we will be looking at that. We are getting a lot of questions and commentary from people around the efficiency of the funding arrangements. They are asking us, invariably, to find ways in which to make the

delivery of the grants more streamlined and less burdensome to the groups. And there is a bit of interest around the role of environmental accounting in the whole natural resource management space. They are just some of the high-level things. There are a lot of other issues that people are raising with us, but those are the types of questions we are contemplating looking at in the discussion papers.

Senator BIRMINGHAM: If there is an interest in and a strong theme of focus on transparency, I just re-emphasise the comment I made before about transparency through every stage of this. I am pleased to hear that feedback has been encouraging to date, but I think it would be enhanced by ensuring that the final products are equally transparent. On the external assistance you are seeking for this review, what consultants have been engaged and what work are they undertaking?

Mr Flanigan: I do not think I have a full list of those, but I can give you a sense of them. We have been working with the ANU, through the HC Coombs Policy Forum, to look at questions around the role of natural resource regional planning in these types of programs and how that might be improved into the future. We had a couple of consultancies around issues to do with Indigenous stakeholders. We have one which is surveying Indigenous people and people who are engaging in Indigenous projects to get input from them, and we have another which is looking into issues around trying to get a handle on the social and economic benefits that may flow from the Indigenous ranger programs, just so that we can get a handle in that space. The Australian Bureau of Statistics has been doing surveys on our behalf, including them within their surveys, so that we can make a judgment about the take-up rates around best practice, particularly in sustainable farming activities and those types of things. We have a survey that has been contracted to test how community groups prefer to receive their information—are the existing systems that we have in the program working or are there things that people would like to see changed? They are some of the types of things we have that are being undertaken by non-government contractors.

Senator BIRMINGHAM: Could you take on notice to provide us with a detailed list of all of those and the budget et cetera that applies to each of them.

Mr Flanigan: Certainly.

Senator BIRMINGHAM: What is the overall budget for the review?

Mr Flanigan: We are supporting the review from within the resources of the Australian government Land and Coast Division. Where we have to run consultancies and the like, the funds are coming from our monitoring and evaluation subprogram within Caring for our Country.

Senator BIRMINGHAM: And obviously when I get the answer to the question on consultancies I will get to see what all of that tallies up to. Going back to the issue of timing, you indicated that you are driving through a process to try to ensure that there is not a gap, that there is some certainty, and that with the conclusion of the original outcome statement in 2012-13 there are new parameters for you to work within. When do you need to have a decision on new parameters for the future outcome statements of the program locked away and settled to provide a reasonable degree of certainty to the organisations involved?

Mr Flanigan: That is ultimately a decision for the ministers and cabinet, but I would imagine we would be expecting to have a landing on these things around this time next year.

Senator BIRMINGHAM: For next year, when would people be making funding applications? When do they usually make funding applications?

Mr Flanigan: We currently have the business plan out of the application process open for the open-call projects for the cycle we are about to move into. We have structured the remaining budget so that there will be funds available for the following year, but, as we have in the past tried to favour multiple-year projects, that option will become less available to us subject to the decisions of government about the next period. Does that answer your question?

Senator BIRMINGHAM: Sort of. I have rough time lines that you have indicated. We can work with those for now.

Senator ABETZ: I have a very quick follow-up question on an answer I got yesterday on fox scats. This is a very discrete area. I am a bit disappointed that I only got the written answer yesterday, which has not given me the opportunity to consult with a constituent about this matter. But I have been told that until recently there were no restrictions on importing scats into Tasmania. The importance of this is that Tasmania has become hydatids-free in the past and there is genuine concern in the Tasmanian community about the possibility of hydatids being reintroduced into Tasmania through this dubious scheme. What Commonwealth control was there, if any, in allowing these scats to be imported into Tasmania—or was that all Tasmania's own work?

Dr Zammit: It was all Tasmania's work.

Senator ABETZ: So we know where to put the blame on that one. Thank you. But the federal taxpayer does help to subsidise what is called the Tasmanian fox task force?

Dr Zammit: The eradication program, yes.

Senator ABETZ: Yes. Do you take any responsibility for how the money is spent?

Dr Zammit: We are members of the steering committee for that program. It is a program that is equally funded by both governments. We are also members of technical advisory groups, so we are involved at both the strategic level and the technical and scientific level.

Senator ABETZ: During those consultations, did it ever spring to anybody's mind that this idea of importing fox scats into Tasmania might in fact bring in disease and hydatids?

Dr Zammit: I do not recall an exact conversation around it. I know there was broad conversation around what would happen were this to arise, and we were reassured and continue to be reassured by the state regulators that they have the appropriate procedures in place for managing it.

Senator ABETZ: So you were told that right from the beginning?

Dr Zammit: I would have to check the records.

Senator ABETZ: Because they are now claiming that by freezing these things at minus 80 degrees Celsius et cetera or using fox scats from foxes in captivity—

Dr Zammit: I would need to check the record, because these conversations happened several times.

Senator ABETZ: Please take that on notice. And can you take on notice for me as well when the program of introducing fox scats commenced, how many we believe were

introduced into Tasmania prior to the new restrictions being imposed, and exactly when those new restrictions were imposed.

Dr Zammit: We can take those on notice.

Senator ABETZ: Thank you.

Senator SIEWERT: I want to go to questions about issues around the Environmental Stewardship program. As I understand it, that is new money to the program. To be really clear, that is new outside of the existing money that has been allocated to Caring for our Country?

Mr Flanigan: That is correct.

Senator SIEWERT: Is it simply providing more money for the existing program or will it be expanded beyond its existing scope? At the moment it is around, as I understand it, certain communities. How is it proposed to go from here?

Mr Flanigan: I might throw to Dr Zammit in a moment to go into detail on this. The first phase of the stewardship program—the one we have been through—was very much trial and working through the idea. And you are right: we focused very narrowly on a very small and limited set of nationally threatened ecological communities. The intention for the next phase of the program is to broaden it out so that we will focus more on trying to secure quality and rebuilt quality habitat on farms for a range of EPBC listed species—more of a habitat approach than just the particular communities.

Senator SIEWERT: How do you intend developing that, and what is the time line?

Dr Zammit: We are anticipating in the coming financial year to run the old approach. We are going to run another round of the Multiple Ecological Communities Project.

Senator SIEWERT: In 2011-12?

Dr Zammit: Yes. At the same time we will be building the new methodology. It will take us probably the better part of six to eight months to build that, and then we want to trial before we go to market, as it were. So we want to allow next financial year to run the existing tool and then in the year after we will run the habitat based approach. It will take us a bit of time to shift the system away from targeting particular ecosystems, habitats of national significance, to a more general model.

Senator SIEWERT: In developing the new approach, will there be consultation with stakeholders et cetera?

Dr Zammit: Yes, there will. We have a consultative group and we will expand that group to pick up some special new skills and will run a program of work through that group over the next financial year.

Senator SIEWERT: Has there been a formal evaluation of the current program? How are you incorporating the learnings from the last couple of years?

Dr Zammit: We ran an independent review of Environmental Stewardship last year. That report is on the web, on the stewardship site. We have taken those learnings and included them in the development of the new program as well as feeding into the Caring for our Country review at the same time.

Senator SIEWERT: We had a very complicated conversation about the way the program has been forwarded, because this program entails committed money into the future—is it \$84 million?

Mr Flanigan: Yes.

Senator SIEWERT: I tried to pick this out from the detail that was given in the papers and I have not been able to, I have to admit. How much of that is money that is already committed through the existing program and how much is for what we have just been talking about—the new program?

Mr Flanigan: We do not have exact figures on that because we are still settling the arrangements for the round we are currently in.

Senator SIEWERT: And there will be another year of the existing program?

Mr Flanigan: That is right. But in broad terms it is about fifty-fifty. About half of that funding will cover the commitments that we have in place and half is for the new arrangements.

Senator SIEWERT: And that will be for new long-term—

Dr Zammit: That is right.

Senator SIEWERT: How much of the \$42 million that is for the new program will then be allocated each year? In other words, with the forward commitments for each person you went into a relationship with for the stewardship program, how much of that is then available each year? I know we had this difficult conversation last time.

Mr Flanigan: Dr Zammit will correct me if I get this slightly wrong because it is a little complicated. The \$42 million of new funds will support the contract arrangements for those projects in the four years of the estimates and then they too will have an ongoing commitment.

Senator SIEWERT: They will need subsequent commitment?

Dr Zammit: That is right.

Senator SIEWERT: The only other new program besides crazy ants—and that is not new money and I have dealt with that—is the corridors. Thank you for the answer you gave me to a question on notice where you said, 'There might be something coming up; you have to look for the budget announcement here.' I think I got that answer after the budget was announced—but anyway. Can you tell me how that process is now going to roll out? There was not a lot of information in the answer to the question on notice.

Mr Flanigan: Again, we might let Dr Zammit do all the details of the work. The minister has announced a task force to advise him. That task force has met now on two occasions. It is working through a program to both look at what sorts of corridor initiatives are already around—things like Gondwana Link, Habitat 141—

Senator SIEWERT: You have pre-empted my next question.

Mr Flanigan: to bring those in and both evaluate their value to the national plan and look at them in terms of what lessons could be learnt about this type of activity. So they are bringing that work in. At this stage the preliminary working on their work program is to attempt to have a draft of the national plan available by the end of this calendar year and the

beginning of next. They will then move into a phase of trialling a few on-ground attempts at what it means to build corridors in the landscape. The commitment there is to trial that through a couple of the regional bodies, yet to be chosen.

Senator SIEWERT: Will the trialling use up all of the resources that have been committed to the corridor plan?

Mr Flanigan: The \$10 million is really earmarked for developing the plan and the concepts and doing these trials—not necessarily doing the implementation. The idea of the plan is to build a policy approach with resilience and connectivity in the landscape and potentially—and this is still to be worked through, depending on the review of Caring for our Country—then look at methods for how we deliver the actual corridors using a range of initiatives the government has.

Senator SIEWERT: How does this relate to the review and to the implementation of regional plans et cetera? Will it start cutting across that? How do you see that working?

Mr Flanigan: We are hell-bent on making sure they do not cut across. There are a number of things running—policy examination of how we move to a landscape approach in conservation programs, the Caring for our Country review itself, the work on the corridor plan to build up the thinking around the principles—what should they be, where should they be and those types of things. They are all elements of the current policy debate that we are having with our stakeholders.

Senator SIEWERT: I realise I am now flipping back into the discussion about the review. I have to admit that I have not read every submission to the review yet. How much support has there been for the corridor approach in the submissions and in terms of whether they want that—

Mr Flanigan: In the submissions themselves?

Senator SIEWERT: Yes.

Mr Flanigan: It is probably a little early for the very narrow way you have asked the question. We have not finished doing all that examination. Generally when Dr Zammit and I have been talking to people around the place the concept of the corridor approach has been met with widespread support.

Senator SIEWERT: That is not the same feedback I am getting.

Mr Flanigan: You might want to put us in touch with the people who are giving you feedback and we will have a chat to them.

Senator SIEWERT: I am not saying that there is a lot of opposition to projects like Gondwana Link. That is tremendously supported and I think it is a good approach. I think people are a bit confused about what you mean at the moment. People have some concerns about what you mean by the corridor approach. I think they are still thinking of the small-scale corridors that we used to talk about rather than landscape scale. I am glad we are talking about landscape-scale issues again, because we seemed to have moved away from that.

Mr Flanigan: The remit that the minister has given us for the corridor plan is very much focused on the national scale and the landscape scale. The smaller things are pathways—connectivity, if you like—and they are in a different place: probably more in the Landcare type space.

Senator SIEWERT: I think that when people are talking about corridors to me, they are still speaking about that—

Mr Flanigan: And I think there are issues around implementation and the like that people will want to kick around a bit. That is part of what the advisory committee is there to help us with.

Senator SIEWERT: We talked yesterday and just then about where to from here with the review and then the ongoing consultation about when the final report goes to the minister, where to from here with the submissions et cetera. Will you be integrating the concept of corridors into any further consultation process you have? What I am concerned about is that you will have the review that is fed up to the government and the corridor project, and again you have two disconnected—for the community—processes operating. How will you integrate that and take the stakeholders along with you?

Mr Flanigan: I think I have a sense of the issue and the stakeholder anxiety you are reflecting. Our intention with that in carrying those two discussions on is to keep, in the way we have been doing it, very open discussions with the stakeholders and across broad sets. For example, the make-up of the corridor advisory group is very broad, from farm sector people, through those who are involved in parks and NRS type activities, through the private sector that is interested in those activities, and Landcare people. There is quite a broad set. The intention is not to have that discussion just within the realms of the advisory group either. There is probably a broader risk for us as we carry these related discussions forward that we are talking to largely a group of people who are interested in natural resource management and these activities.

Mr Tucker: Senator, you will be aware that the concept of landscape connectivity has been around in the scientific literature for quite a while and the importance of the capacity for species to move, particularly with climate change, up and down temperature gradients. I think our experience with natural resource management over quite a number of years now is that the focus at the beginning was very much on community action and the problems people saw directly in their own specific areas. The feeling we get is that natural resource management is maturing in the community now to looking more at landscape connectivity. I do not want to say this is exactly what will happen, but I suspect that it will become one of the guiding principles, as in many others when we are making decisions about further investments in natural resource management. Picking up matters of national environmental significance and landscape connectivity will probably be another principle that will run through our investment priorities in the future.

Senator SIEWERT: Mr Tucker, I do not mean to get into a long discussion with you but I think that a lot of the community were there a long time ago, and some of us would argue that there has been a step backwards from that process and we are getting back there again. That is a comment, I know.

Mr Tucker: I will not dispute it.

Senator SIEWERT: On the issue around the scale of the landscape connectivity, I am probably more aware of Gondwana Link than some of the other projects. I know the scale it is operating at, the level of work that has gone into it and the level of investment that has gone

into it. Is that the type of investment, length of project et cetera that you are talking about when you talk about this particular approach?

Mr Flanigan: I think the short answer to that is yes. There are things that are being looked at in relation to corridors that are already around. Habitat 141 is essentially on the boundary between South Australia and Victoria.

Senator SIEWERT: I am aware of it; I just do not know it as well.

Mr Flanigan: There is an ecolink one which is also being looked at which runs through the South Australian desert country and then up into the Northern Territory and basically connects the Great Australian Bight to Arnhem Land. There is a lot of support around for what used to be called the Alps to Atherton but has a new name now—

Dr Zammit: Great Eastern Ranges.

Mr Flanigan: The Great Eastern Ranges corridor, which effectively runs all the way up the western slopes on the east coast up into Queensland. So it is that type of scale that we are looking at. The principle is to try to capitalise on things where communities and others have been investing already for a period of time and to work out what needs to be done to progress that job faster or better. In Gondwana Link there are 10 years of people working on that with small community projects and it is a long way from connected.

Senator SIEWERT: Exactly.

Mr Flanigan: Then we look at other parts of the landscape, in a changing climate world, where we think we need to have these pathways for species movement and the like. There are some big gaps. Big chunks of WA are not at the moment covered in any particular program.

Senator SIEWERT: Tell me about it.

Mr Flanigan: That is the sort of concept, but the advisory group is working through that. It is attempting to bring its draft recommendations forward in the back end of the year. Assuming it succeeds with that timing, that will also help your issue of how we then knit together where the future programs might go with that information on board as well.

Senator SIEWERT: What about linking it back to the Environmental Stewardship Program? Is it intended that there will be links between them? It seems to me that that program could play an important role in the corridor program as well.

Mr Flanigan: If the corridor concept proves itself and does go to full-scale implementation, our expectation is that we would then start using a range of our levers to build those corridors. They would not all be NRS reserves. They would be made up of NRS reserves, IPAs, stewardship work, other Landcare type projects and those types of things, and you would build up the functionality in the landscape through delivering a range of activities. It is a way to focus the delivery of the programs on an ecological outcome. That is the concept.

Senator IAN MACDONALD: The agriculture department, when we were talking about Caring for our Country, indicated that the rangers program was entirely your management responsibility. Is that correct?

Mr Flanigan: That is true.

Senator IAN MACDONALD: There is new money in this budget for Working on Country?

Mr Flanigan: It is not technically new money. Working on Country—that is the Indigenous rangers activity—was funded through a number of appropriations that have been put into their overtime. The government took a decision to consolidate those appropriations into one. So we have moved money around to put them into one appropriation.

Senator IAN MACDONALD: Was the previous appropriation just from your department and the agriculture department or was it from others as well?

Mr Flanigan: No. There was appropriation from the old Natural Heritage Trust and there are also appropriations from other government programs like the CDEP reforms—the Community Development Employment Program projects.

Senator IAN MACDONALD: Is it easy for you to give me a list of where the money came from that was consolidated in this program?

Mr Flanigan: We can do that.

Senator IAN MACDONALD: If you would, please. Mind you, I think it is not a bad idea, for what it is worth. Is there a special allocation in your budget for this, is there—for the Working on Country program?

Mr Flanigan: We now have a consolidated funding line.

Senator IAN MACDONALD: Yes, but is there a line item in the budget? I should be able to tell you that.

Mr Tucker: Senator, I draw your attention to page 31 of the portfolio budget statements, where it is a line item.

Mr Flanigan: It is \$51.8 million.

Senator IAN MACDONALD: You indicated that that is not new money but just a consolidation. What comes out of the Working on Country program? Is it only the ranger program or are there other things?

Mr Flanigan: It is essentially the ranger program. The money is used at the moment to support about 660 Indigenous rangers through 68 projects—that is, we have contractual arrangements with 68 Indigenous groups to deliver 660-odd jobs. The reason I say 'odd' for the number of jobs is that it varies a bit, like any labour arrangement; people are on and off at different times.

Senator IAN MACDONALD: And it goes to these Indigenous organisations—or not necessarily Indigenous, I guess?

Ms Fraser: The vast majority of the contracts are with Indigenous organisations but we do have a small number of contracts with other agencies which are partnering directly with Indigenous organisations. They could include state agencies in some cases.

Senator IAN MACDONALD: And it is across all states?

Ms Fraser: Except the ACT.

Mr Flanigan: Senator, you asked last night for a distribution of the projects. We have five projects. The vast majority of them are in the north. We have five projects in New South Wales, 20 in Queensland, 23 in the Northern Territory, seven in Western Australia, eight in South Australia, two in Victoria and three in Tasmania.

Senator IAN MACDONALD: Thank you. Would I find these somewhere that you can refer me to, or can you get them to me on notice—just on what the 68 projects are?

Mr Flanigan: What the host agencies are?

Senator IAN MACDONALD: Yes, and how much is involved in each case.

Mr Flanigan: We would have to take that on notice but we would be able to provide that.

Ms Fraser: Much of it is up on the website, though. It is publicly available. But we could give you a more detailed list.

Senator IAN MACDONALD: If you would, please. I was in the Territory last week and I saw that Customs was involved in a very good ranger program. Has that funding been consolidated through this or is that still independent?

Ms Fraser: The arrangements between the Working on Country ranger programs and other government agencies are sometimes very close working arrangements and other times they are bolt-ons to what is already taking place. It depends on the local arrangement.

Senator IAN MACDONALD: So there are still other government departments funding the ranger programs apart from your department?

Ms Fraser: We are the main funding provider but there are a number of other government programs, state and Commonwealth, which contribute to the Working on Country ranger programs.

Mr Flanigan: It might be helpful to think of it this way. The rangers we are funding are—

Senator IAN MACDONALD: Environmental rangers?

Mr Flanigan: Yes, and AQIS, for example, funds inspectors, Indigenous people working in the community. So there is a close relationship between those activities sometimes but they have different roles.

Senator IAN MACDONALD: Regarding the ranger programs in Queensland and Western Australia, I think you said that of the total 68 a lot of them are in the north. For Queensland and Western Australia can you, either now or on notice, as you are giving me that list, identify where each of those is based?

Ms Fraser: There are a lot of those projects. We can give you a map that shows you exactly where all those projects are located.

Senator Conroy: There is a website. You can click on your computer right now and call it up. It might take a while to download if you are on wireless, but go for it.

Senator IAN MACDONALD: It is very speedy, Minister. What is the address?

Ms Fraser: You can just do a Google search on Working on Country.

Dr Grimes: I was just on that website and it works quite nicely. There are interactive maps and—

Senator Conroy: It is wireless but you will get there. As long as everyone else turns off you will get there quickly.

Senator IAN MACDONALD: It is great, Minister, as I keep telling you.

Senator Conroy: You are a big fan of fibre, I hear. You have been out there wanting fibre laid to remote parts of Australia.

Senator BIRMINGHAM: I think I can count four wireless devices in front of you.

Senator Conroy: There could be. But I trust in my fibre when it counts.

Senator IAN MACDONALD: We would all love fibre. It is a pity that only ministers of the Crown will be able to afford it.

Senator Conroy: Still going slowly on the old wireless connection over there, is it? Or is that just your typing?

Senator IAN MACDONALD: It is my typing—we agree on that.

Mr Flanigan: Senator, I have some summary information here. We have 200-odd ranger positions in Queensland.

Senator IAN MACDONALD: You are right—I can click on Queensland and get it on the map and they are, with one exception, all in the north. Are some of these funded or organised with the various state governments? I think you might have said that. Is that right?

Ms Fraser: We have some contractual arrangements with a small number of state agencies for partnership projects.

Senator IAN MACDONALD: I am being parochial here, as you would expect me to be—

Senator Conroy: That is all right; we are on the Queensland map with you over here.

Senator IAN MACDONALD: I have the Queensland map up. Can you tell me how many of them are joint programs with the Queensland government?

Ms Fraser: I would have to check. We do not actually contract directly with the Queensland government but we do co-fund with the wild river ranger program in some instances where we fund a team of rangers. The Queensland Wild River Rangers program might also fund one or two rangers in the same team.

Senator IAN MACDONALD: Indeed, I mentioned this last night. Perhaps it is just coincidence that you mentioned wild rivers, but that is what I was coming to. I do not want to enter you into the wild rivers debate, but it is indicated that one of the arguments for the wild rivers legislation in Queensland is that it supports the Indigenous rangers program. You can support an Indigenous rangers program without having to relate it to wild rivers. But I was interested in how many of those programs that the Commonwealth funds are specifically connected with the state government in those areas which would be said to be in the wild rivers location. I think you have said you would get that for me.

Mr Flanigan: We have had that question in a different form from one of your colleagues in the past, so we are able to advise you of that. Our understanding is that there are Queensland government Indigenous rangers—the wild rivers rangers—and there are 24 Queensland positions.

Senator IAN MACDONALD: Are they interconnected or associated with your program, which is all I can ask about, of course?

Mr Flanigan: We fund our rangers. They are essentially separate but they are living in the same locations.

Ms Fraser: For six of the projects that Working on Country funds in Queensland the wild river ranger program also co-funds those projects.

Senator IAN MACDONALD: Is there joint management?

Ms Fraser: The funding obviously comes from separate resources but, where possible, to minimise the reporting and other requirements on the proponents, we have shared reporting arrangements with the Queensland government and we attempt to work closely at a project officer level so that the rangers are, for example, implementing the same plan of management.

Senator IAN MACDONALD: I am clicking on to the Gidarjil Working on Country program and what they are doing. That goes to a group—your money, the state money—and then the group employs the rangers. Is that correct?

Ms Fraser: I am not sure of the pronunciation but that is an arrangement we have with six of those groups up north. I am not sure which project you are talking about.

Senator IAN MACDONALD: What I am trying to say is that the money flows into a central—

Mr Flanigan: Into the community.

Senator IAN MACDONALD: But it is a community organisation or some sort of organisation, and you will get for me which organisation.

Mr Flanigan: The names of the organisations that are funded, yes.

Senator IAN MACDONALD: The reporting on these Indigenous ranger programs is all audited regularly, is it?

Ms Fraser: Yes.

Senator IAN MACDONALD: How are they audited?

Ms Fraser: They have to undertake independent audits from accredited auditors, and that occurs annually.

Senator IAN MACDONALD: And they are all A-okay? You do not have any problems with any of them across Australia?

Ms Fraser: Occasionally we have questions about the audits and we tend to liaise with the proponents and get answers to those questions, as you would expect with any program.

Senator IAN MACDONALD: None of the Working on Country programs have been unsatisfactorily managed from the Commonwealth point of view?

Ms Fraser: I would have to take that on notice. Not to the extent that we have had to, for example, pull funding from a project.

Mr Flanigan: We will take that on notice, Senator.

Senator IAN MACDONALD: I think that is all I wanted to ask on Caring for our Country. There are other issues that have come up that I know Senator Siewert and Senator Birmingham have already raised and which we raised last night, but it is perhaps pointless while the whole thing is in flux. I am sure this was asked before, but what is the time line for the review conclusion and when do you hope to implement any new arrangements that might flow from the review?

Mr Flanigan: We did have quite a lengthy discussion about the timeline. But essentially we are undertaking the review so that we can put in place the new structures, if there are any, for the funding period that would commence in the 2013-14 financial year. That means we have two years to run in the current program. The approach we have been taking is to give

certainty to the community groups and people who work through the program to, at this stage, keep the settings within the existing program more or less fixed. But we have been making minor modifications around the way we do business in things like application forms, tweaking the exclusions and the like in the annual business plan in response to the things we have been hearing from people through the review and other things. That will be our setting for the next two years, with the intention to have the new arrangements in place for the outcome period starting post that.

Senator IAN MACDONALD: That is all I have on Caring for our Country.

Senator WORTLEY: Following on from Senator Siewert, what consultation has occurred in the development of the government's national wildlife plan?

Mr Flanigan: Is this the National Wildlife Corridor Plan?

Senator WORTLEY: Yes.

Mr Flanigan: The minister has established an advisory group to advise him on the development of that plan. They have had two meetings so far. I can give you the names of the members if you would like. The advisory committee is chaired by the Hon. Bob Debus. The other members are Kym Cheatham from Ecotourism Australia; Professor Steve Dovers from the Fenner School of Environment and Society at the ANU; Debra Goostrey from the Urban Development Institute of Australia; Melissa George, the chair of the Indigenous Advisory Committee; Brett de Hayr, the National Landcare Facilitator; Dr Judy Henderson, the CEO of Northern Rivers Catchment Management Authority in New South Wales; Doug Humann, the CEO of Bush Heritage Australia; Angus Hume, a natural resource adviser and agricultural specialist; Vicki-Jo Russell, who is on both the Australian Landcare Council and the South Australian NRM Council, I think; Dr Paul Sinclair from the Australian Conservation Foundation; Felicity Wishart from the Wilderness Society; and Deb Kerr from the National Farmers Federation. As part of their duties, that group will also be advising us on the consultation process to go forward. It is only very early days. I think they were only announced in April. So we get to nail all the consultation process, but at this stage the intention is to have their draft thoughts on what a corridor plan might look like out around the back end of the year.

Senator WORTLEY: What ecosystems are being protected by the corridors?

Mr Flanigan: That is still a matter for discussion. As I explained earlier, part of the work is proceeding from the basis of looking at what other corridors have already been around—things like Gondwana Link, which we have talked about; the Alps to Atherton Western Ranges link in New South Wales and Queensland; and those types of things. But the intention is to try to get large corridors that actually capture a range of ecosystems across the country and connect up the country. The basic idea is that if you have that then species and the like can flow through the landscape in response to other pressures.

Senator WORTLEY: What size should they be to achieve maximum environmental benefit?

Mr Flanigan: Again, that is really something that this task force and the process we are running is looking at. I think the answers will be something along the lines that it will depend a bit on which part of the country you are in and what you are trying to achieve in each

location. But the concept is scalable, so you can have large national-scale connectivity and from that you can build smaller scale things until you get down to connectivity on a farm.

Senator WORTLEY: Going back to the Environmental Stewardship program, how many farmers are involved so far, and how important are landholders in protecting our environment?

Dr Zammit: I can you give you a pretty precise answer on how many farmers have been involved.

Senator WORTLEY: And perhaps how the government is supporting them.

Dr Zammit: Sure. Over the life of the stewardship program we have had just under 1,000 landowners express an interest in the program—957 to be exact. Of those, 824 farms have been visited to do assessments, and out of that flows a process that leads to successful contracts. We have evaluated along the way just under 400 proposals, and the number of approved bids as of today is just under 300—279. So there are 279 separate successful long-term contracts for conservation on private land through stewardship. The large majority of those successful contracts would be 15-year contracts. A small number—I do not know exactly what it would be but it would be less than 10 per cent, I would guess—would be somewhat shorter, with more than 10 years and maybe 12 or 13 depending on circumstances and preferences of the landowner.

Senator WORTLEY: So it is determined by what the landowner wants.

Dr Zammit: Yes. We invite them to put up whatever number of years they would like and they tend to go for the maximum most of the time.

Senator WORTLEY: And the support from the government to the landowners?

Dr Zammit: The support from the government is in a couple of parts. One part is the annual payments for their annual committed work on farm. We also provide support through the CMAs to help with capacity building.

Mr Flanigan: Catchment management authorities.

Dr Zammit: Sorry, yes—to continue to build capacity and provide advice at the local scale when issues arise. A farmer might, over the years in which they are running the stewardship program, bump into a particular management problem that they are not sure how to resolve. We then support the CMAs to help those local farmers modify and adjust their management plans as circumstances change.

Senator WORTLEY: Good. Thank you.

Senator IAN MACDONALD: Knowing the inside mafia network—are you aware of my interest in the \$973,000, I think it was, awarded to the Friends of Sceale Bay group in South Australia? I inquired of DAFF last night at some length.

Mr Flanigan: I am aware of your questioning of them last night.

Senator IAN MACDONALD: Can you add anything to the answers they gave on this—what checking was done of this group? According to information given to me it consists of just five people, only one of whom lives in Sceale Bay, and the head of which happens to be the South Australian boss of the CFMEU and son of a former Labor premier of Victoria, Joan Kirner. I am told, although I am sure this is entirely irrelevant, that he also flatted with the Prime Minister in their university days. There is some concern amongst locals about the

amount and the direction of this group. I am wondering what sort of checking you did. I asked DAFF and they gave me some answers. Can you add to that?

Mr Flanigan: In order to properly answer that question I need to go back to the architecture of the program. An established business plan gets put out every year which identifies the types of things we want to invest in, the criteria for those activities and the things we are trying to achieve. In shorthand it is called the competitive process. People then make applications. Those applications are divided by us into each state and they go first to a screening panel that looks at those projects. That panel is made up of predominantly non-government people—three community people—and there is usually an officer from our relevant state team with the ability to draw on support and advice from other team members and other parts of the government. Those groups use a metric to check how projects meet the criteria. There are a range of broad eligibility criteria: that the group is a legal entity, that the proposal is meeting the targets for the program or the particular subprogram therein, that they have obtained any agreements necessary through planning processes—those types of things. That then leads to a bit of a ranking of projects. Then there is what we call a moderating panel, which is a national group drawn from the chairs of each of those panels, so all independent people. They come together and look at the top-ranking projects and then work out which ones of those, in a competitive sense between the states, should go forward. Then there is a process whereby we check any issues that they have raised with us, and then they go through to the ministers. So we do not check, and we have never have been in the business of checking, the membership of the groups. The checking is against whether they meet the criteria of the program and whether the projects are likely to deliver outcomes in the program. One of the important things that we rely on is the track record of groups and whether they are in default of payments to us—those types of things.

Senator IAN MACDONALD: I am sure in this case the group has no track record. I understand it is a relatively recently formed group.

Senator McEWEN: In 1999, actually.

Mr Flanigan: I am not sure that that is true. They have quite a glowing track record—

Senator McEWEN: More than a decade ago.

Mr Flanigan: We checked the files after your questioning last night. They have won numerous awards for Coastcare type projects in South Australia. They recently won the Planning Institute of Australia South Australian division award for excellence. So as far as our systems of checking go, they come across as both meeting the criteria for the program and producing a project that is of high quality, and they have a good track record.

Senator IAN MACDONALD: Have they received government money before?

Mr Flanigan: They may well have, because that would be part of what we checked to make sure they have not been in arrears and they have always delivered on their projects. They were involved in a project in the 2008-09 round. That was successfully completed. They also had one that has just come through its final reporting now in 2010. There were two 2008 projects, and they were given Envirofund grants in 2004.

Senator IAN MACDONALD: One of their applications was to make a documentary. Is there any audit kept on the documentaries that are produced—a check made to make sure that those documentaries do not run a small 'p' political line?

Mr Flanigan: The documentary was part of the total project. So it was not just funding for the documentary. We do not generally get into the process of vetting the things that community groups say. We have numerous community groups involved in this program and they all produce newsletters and materials that go into the public arena. I do not think it is our place to editorialise on their work unless there is something that is quite a serious breach of Commonwealth guidelines. The rest of the project involves working on relationships with Indigenous people, building capacity in Indigenous people and the community, delivering training and workshops, upgrading nursery infrastructures—this is in dune conservation and rehabilitation and that type of work—seed collection and propagation, development of habitat restoration plans, a series of revegetation projects, weed and pest control over a 320 hectare area, and improving public access to, I assume, Sceale Bay. The documentary was only a part of the total project.

Senator IAN MACDONALD: I have a copy of the application but I do not have it in front of me. Did it indicate how much of the almost \$1 million they received was going to be for the documentary and how much for Indigenous employment and so on?

Mr Flanigan: I do not think it was \$1 million. It was \$779,000 including GST. I would have to check whether there was a breakdown in their budget as to the documentary.

Senator IAN MACDONALD: As I mentioned last night, there is some concern. It is in an area of South Australia where the marine regional programs, both state and federal, are very controversial. I am told by locals that there are only five members. Other people have applied to join the group but have either not had a response or have been rejected, which under their constitution they are able to do without advancing any reason for the rejection of a membership. Those things I am told by local people there who are concerned, and I rely on their information, but if some of those things come to pass one might imagine why some of the locals might be concerned. Hence my questions. The funding given to this group is to be spent over how many years?

Mr Flanigan: The funding was for a three-year project for completion on 30 June 2013. All of the moneys will not have been paid to them, because the way we run our projects is that there are performance measures they have to meet and report on as they go.

Senator IAN MACDONALD: So performance measures—or effectively they have to report to you every year or every so often?

Mr Flanigan: We usually have three or four reporting periods a year.

Senator IAN MACDONALD: And at that stage you assess what they have done against their proposals?

Mr Flanigan: They have to have met the benchmarks in the contract. Failing to meet them means they do not get the next payment.

Senator IAN MACDONALD: Do you just do that as a paper audit or does someone go and look at how many trees they have planted, how many people they have employed, how many dunes they have—

Mr Flanigan: Right across the program we have a number of mechanisms for doing that sort of thing. First they have to submit their paper reports. They also have to be independently audited and certified. We then operate a sort of randomised inspection process. We have staff around all the capitals in the country and other places, so we do go out and visit sites just to

make sure they are on track and on program and what they say they are doing is being done. Then we escalate that if we get a sense that somebody might not be quite as honest as they should be. But generally we are dealing with community based groups and we find that most people are fairly genuine.

Senator IAN MACDONALD: In this case there is one community based person and four come from Adelaide. I am not sure how far Scele Bay is from Adelaide—

Mr Flanigan: Is anybody here from South Australia?

Senator IAN MACDONALD: but a fair distance. You would, as part of your audit, get a copy of any material produced—that is, the documentary?

Mr Flanigan: That is correct. That is normal practice.

Senator IAN MACDONALD: On notice, if you do not have them now, can you give me the names of the three community people who you told me were the local assessment panel?

Mr Flanigan: Those who were on the assessment panel for the South Australian panel? I can do that. If you give me a minute I can probably dig it out.

Senator IAN MACDONALD: It saves taking it on notice. Those are the only questions I have on Caring for our Country, provided I can get that answer. But we do have other questions in this general area.

CHAIR: We are still on Caring for our Country.

Senator BIRMINGHAM: Could we treat the corridors as Caring for our Country. Senator Siewert was doing a bit on corridors and I have a small bit on corridors.

Mr Flanigan: The independent people on the South Australian panel for that year were Sharon Starick in the chair, Vicki-Jo Russell and Claire Lock.

Senator IAN MACDONALD: Did you say Mary Jo?

Mr Flanigan: No, Vicki-Jo.

Senator IAN MACDONALD: Who are the people on these community panels appointed by?

Mr Flanigan: By the minister—ministers plural, sorry, because they meet as a ministerial board. We give multiple suggestions to the ministers.

Senator IAN MACDONALD: Do they need a qualification? Do you just pick anyone or is it just someone with environmental science—

Mr Flanigan: We seek to give a range of names of people who are well regarded in the space and have a background in natural resource management one way or another. We have a range of people involved, from community people like farmers through to people with potentially academic backgrounds.

Senator IAN MACDONALD: These people do all of South Australia, do they?

Mr Flanigan: Yes, the state panels take all the projects in South Australia that are in the open call and then make a recommendation to the national panel, which then looks at all of those rankings.

Senator IAN MACDONALD: So these three people that you mentioned would do the whole of the state of South Australia?

Mr Flanigan: With support from the department.

Senator IAN MACDONALD: Yes, of course. And can you, perhaps on notice, indicate to me whether those three were in the panel of people you offered to the ministers for appointment?

Mr Flanigan: Whether they were in the list we suggested to the minister?

Senator IAN MACDONALD: Yes.

Senator Conroy: I do not think you can ask them to provide information that they have forwarded to the minister. That goes to the content of the communication, Senator Macdonald. I think that is slightly outside the remit. But we can take it on notice if you like and see whether there is any information the minister would like to add.

Senator IAN MACDONALD: I would not want to go outside the requirements of the Senate, Minister. You put forward a panel of people to the ministers and say, 'We need three and these three seem to be the most qualified.' I was just asking whether these three names appeared in the group of people you suggested to the ministers might be—

Mr Flanigan: I will take that on notice, Senator, but my recollection is that the ministers have never stepped outside the list we have recommended.

Senator IAN MACDONALD: Who is on the national panel these days?

Mr Flanigan: For that year?

Senator IAN MACDONALD: Senator Birmingham has pointed out to me that Sceale Bay has a total population of 28, so the fact that only one local is in the Friends of Sceale Bay is perhaps not a bad proportion—one twenty-eighth of the total population.

Mr Flanigan: It is like Western Australia, Senator. If they are in Perth they are locals to the whole state.

Senator BIRMINGHAM: I think its population increases rather significantly during the holidays.

Mr Flanigan: Senator, I do have that information somewhere in my folder but I just cannot locate it.

Senator IAN MACDONALD: On notice, can you just tell me who the—

Mr Flanigan: I apologise; I do have it. The national moderator panel was Owen Crimp in the chair; Sharon Starick from South Australia; Dr Libby Watiski from Western Australia; Ian Sawyer from Tasmania; Judy Henderson from New South Wales; Malory Weston from Victoria; Dr Gabriel Crowley from the Northern Territory; Ms Di Tart, who you probably know, Senator, from Queensland; and two departmental senior executives, Dr Charlie Zammit, who is on my left here, and Dr Sally Troy.

Senator IAN MACDONALD: Thanks for that.

CHAIR: I have some questions on Sceale Bay, population 28. Senator Macdonald indicated that he was raising these issues because some locals were concerned. Given that there is a population of 28, I am sure we can find out very quickly who the concerned locals are. Is there anything in the Caring for our Country guidelines that prohibits a member of a trade union being involved in the project?

Mr Flanigan: No, there are no membership barriers of that sort.

CHAIR: So there would be no relevance to the membership of a union or employment by a trade union that Senator Macdonald raised in relation to the program?

Mr Flanigan: There are no prohibitions that go to a person's affiliation of any type other than that the guidelines are structured so that the program is unable to fund projects that are of a primarily commercial nature.

CHAIR: You indicated that the Friends of Sceale Bay had received a number of grants over the years.

Mr Flanigan: That is what I have been informed.

CHAIR: And awards?

Mr Flanigan: Yes.

CHAIR: What awards did they receive—can you just refresh my memory?

Mr Flanigan: The advice that I have been given is that in 2009 they received the Premier's Natural Resource Management Research Award; that in 2010 they received the Planning Institute of Australia South Australian division president's award for planning excellence; and that in 2004 they received an environmental award special mention—I think that is a South Australian prize. They received the South Australian annual Coastcare award in 2006. They were the South Australian category winner—I am not sure where that is from. It says here that they were the South Australian environment category winner but I think that might have been in the Coastcare awards in 2009.

CHAIR: So some locals might be concerned but certainly the organisations that provide these awards do not seem to be concerned. They have a very good track record, haven't they?

Mr Flanigan: Our assessment panel felt that they had a good track record.

CHAIR: How many other community groups have grants under this program?

Mr Flanigan: Across Caring for our Country I think there have been something like 2,500 separate grants. They would have been to all sorts of different groups, though, including state agencies.

CHAIR: Are you advised if these other 2,499 have received awards for the work they do—do you know?

Mr Flanigan: Not normally. We know in this case because, I am advised, it was in their application.

CHAIR: Do you think that a lot of these other groups would have achieved awards?

Mr Flanigan: I would not be in a position to know, Senator.

CHAIR: You said that there were performance measures that this group had to abide by. Have they successfully reached their performance measures on grants that have been received in the past and finalised?

Mr Flanigan: On previous grants that is the case. I could not answer about this current project.

CHAIR: Were audits done on these previous grants?

Mr Flanigan: The normal process is that at the conclusion of a project the group has to present its final report and that acquittal has to contain certification from a qualified

accountant to sign off that the projects have been properly spent. So I would expect that they are in that category.

CHAIR: You mentioned the South Australian panel in 2009-10 as well as the national panel. Have those panels changed since then?

Mr Flanigan: For the round that is just closing at the end of this week we are going through the process with the ministers of making some additional appointments because some members have stood down because they have other things to do.

CHAIR: So there is a turnover in the panels.

Mr Flanigan: There is a bit of turnover. As I said before, we are trying to keep some stability in the delivery of the programs, and it is valuable to us to have people who understand year on year the range of projects that we are receiving. But there is always a bit of a turnover of people who have other commitments at the time of year, so the ministers are currently making a decision on the new membership.

CHAIR: Has the department received any complaints about the operation of Friends of Sceale Bay?

Mr Flanigan: I was not aware of any until last night.

CHAIR: Has there been any claim of illegal activity by Friends of Sceale Bay?

Mr Flanigan: Not that I am aware of.

CHAIR: So all you know is that they are multi-award winners in the environmental area.

Mr Flanigan: That is sort of a leading question, Senator.

CHAIR: Well, they are multi-award winners.

Mr Flanigan: They are multi-award winners, yes, and the project was rated very highly.

CHAIR: Thanks. I now go to the business plan base level funding projects. Who can help me with that? This is for regional NRM organisations across Australia.

Mr Flanigan: Yes, that is in the same place.

CHAIR: Is there a difference between base level funding and an open-call process?

Mr Flanigan: Yes, there is. As part of the design of the program there are 56 regional bodies around the country. Between them they receive what we call base level funding, which is \$138 million a year, I think. That funding is used by those 56 regional bodies to support their activities but also to deliver against the targets in Caring for our Country. For example, out of that base level funding which has been allocated over the program—there are still some to be allocated, but of the \$644 million across all states—the regional bodies have allocated \$5 million to natural reserve system projects, \$210.8 million to biodiversity and natural icon projects, \$115.6 million to coastal environments and critical aquatic habitats, \$216 million to sustainable farm practices and \$96.9 million to community skills development and engagement. That is the funding that goes as the base level to the regional bodies. They still have to make application in each year for that and they have to put to us a proposal about what they are going to use the funds on against the targets in the program, and it is subject to all the normal monitoring, evaluation and review criteria. Then there is a separate—what we call the open call—competitive grant process which is open to all comers.

CHAIR: So the base level funding is an allocation across a range of different activities?

Mr Flanigan: It is an allocation to the regional bodies to be used against the national priority areas.

CHAIR: And in the open-call process people make bids?

Mr Flanigan: The open call is competitive. What that allows us to do is ensure that there is always access to the program for new and innovative ideas, for other players and the like.

CHAIR: For instance in New South Wales there is \$2.6 million roughly for the Hawkesbury-Nepean Catchment Management Authority. Is that what you describe as base level funding?

Mr Flanigan: That is correct.

CHAIR: What types of projects would the Hawkesbury-Nepean Catchment Management Authority be allocating to the open funding?

Mr Flanigan: They would be running a range of projects, probably principally across the biodiversity conservation type areas. Hawkesbury-Nepean is not a coastal environment but they would probably be doing some aquatic habitat projects, repairing vegetation—those types of things. I imagine they would be running sustainable farm practice projects and they would have a range of community skills and engagement activities. Beyond that, how any particular region has broken down its expenditure is something I would have to take on notice.

CHAIR: You would not know whether any union officials or union members were involved in any of these community funded projects?

Mr Flanigan: I would not have a clue, Senator.

CHAIR: That is a good thing. So you do not have any details of some successful projects in the Hawkesbury-Nepean area?

Mr Flanigan: I do not have any particular successful projects in that area, I am afraid—not in front of me.

CHAIR: Do you have any on the Sydney metropolitan catchment management area?

Mr Flanigan: No, but I am aware that one of the larger projects that the Sydney catchment management area has been working on is developing and implementing a water quality plan for the Botany Bay area.

Mr Tucker: We do encourage each of those catchment management authorities to publicise their successes, and they will have on their own websites very good examples of good projects they have conducted over the years.

CHAIR: There are a large number of projects. How many projects are there nationally?

Mr Tucker: It would be in the thousands.

Mr Flanigan: Yes, it is in the thousands.

CHAIR: So it is a bit hard to ask you to detail one specific project.

Mr Flanigan: To fish one out, yes.

CHAIR: On the Working on Country projects you might be able to help me, because there are fewer projects here. There are five projects in New South Wales; is that correct?

Mr Flanigan: I think that is what we said. Senator, in answer to your previous question, there are 2,544 active projects.

CHAIR: That is quite a program.

Mr Flanigan: Did you want to ask questions about Indigenous rangers in New South Wales?

CHAIR: Yes. Can you give me a brief overview of the five Working on Country projects in New South Wales?

Ms Fraser: There are two in northern New South Wales. One is the Githabul Rangers based out of Kyogle. The other is the Ngulingah Rangers based out of Nimbin Rocks. There is one down near Armidale: the Wattleridge Working on Country rangers, who manage two Indigenous protected areas in that region. A little further south, on the coast, there is the Mid North Coast Aboriginal Rangers, also called the Taree Rangers, based out of Taree. Then there is the Willandra Lakes World Heritage Area Rangers based out of Buronga.

CHAIR: Are there any performance measures for these projects?

Ms Fraser: Absolutely.

CHAIR: Can you tell us what they are?

Ms Fraser: There are the standard reporting requirements for all the Working on Country ranger projects. The rangers work to implement a plan of management. They report against that, so the environmental outcomes of the project, twice a year. They also report on employment outcomes at least twice a year, sometimes more often. They report against their budget and spending against that budget twice a year as well, and then each project has to submit an audited financial statement at the completion of every financial year.

CHAIR: What type of work are they actually doing in New South Wales—say the Armidale project?

Ms Fraser: Most of the Working on Country rangers fulfil a similar suite of activities, and New South Wales is no exception. A focus is often on weed management work: managing weeds of national significance and other significant environmental weeds in those regions. There is generally some feral animal management or monitoring. In the projects in southern Australia there is often some revegetation work as well—rehabilitation and revegetation. There is also a lot of cultural work that takes place across the projects throughout New South Wales but in the other states too. That is managing sites of cultural significance and other areas of cultural value within the work plan area that the rangers work to.

CHAIR: How do you determine the success or otherwise of the project?

Ms Fraser: Similar to what Mr Flanigan was talking about, the Working on Country project managers—the departmental staff—work in close partnership with all of our projects. I do not know what the statistics are for New South Wales projects but we would visit our projects generally once or twice a year to meet with proponents and talk about reporting issues and other work planning issues, but usually that would consist of a site visit as well to check that the work is being undertaken.

Senator McEWEN: I have some questions about Working on Country programs, particularly those on APY Lands in South Australia. I think there are two programs that have been funded there, both in the APY Lands, one in funding round 2—

Ms Fraser: That is right.

Senator McEWEN: and one in funding round 3; is that right?

Ms Fraser: That is correct.

Senator McEWEN: The funding round 2 program is a more general program, and the funding round 3 program is more protection of the waru?

Ms Fraser: Yes. We support a small number of ranger teams on the APY Lands. The third one does focus on the waru—the rock wallaby—reintroduction and protection.

Senator McEWEN: Will they be the same people doing the two programs?

Ms Fraser: No, there are separate teams of rangers and separate communities.

Senator McEWEN: As we know, the APY Lands are huge and there is a lot to do there. Who actually decides what work the rangers are going to be doing on a day-to-day basis? Who directly employs them and who tells them what to do?

Ms Fraser: They are employed through APY Land Management—the land management unit within the APY Land Management service. The rangers have a coordinator or a senior ranger who works with each team. So on a day-to-day basis that person who oversees that work will work out what that group are doing. But also the rangers implement a plan of management. That is the overarching document that they work to on an annual basis. That is generally informed by staff who work in those organisations. I am not sure of the actual detail of what happens in APY but this is what I am assuming. It is also informed by elders—senior Aboriginal people who have involvement in those communities.

Senator McEWEN: So the overseer of the program would have some kind of skills or qualifications or something?

Ms Fraser: Ordinarily. It is up to the proponent organisation to appoint those people, but that would be a reasonable expectation.

Senator McEWEN: And they can impart that knowledge then to the rangers who—

Ms Fraser: That is often one important source of knowledge, but most of our projects do have partnerships with other sources of information—not only our departmental staff but they might be scientists from research organisations or other state agencies that have expert knowledge in the particular land management areas that they are working in.

Senator McEWEN: Would the rangers participating in that program have opportunities to mix with other Indigenous people? You said they would get to mix with scientists and people with special skills. Are they ever brought to town to connect with other Indigenous people doing similar sorts of work?

Ms Fraser: I do not know whether they are brought to town but there are ranger gatherings, and Working on Country has supported that. On the APY rangers I am not sure, exactly. I know that for some of our other regions there are regional gatherings which are supported by land councils, federal government et cetera. We certainly support, through funding and through our guidelines, ranger exchanges and also attendance at those gatherings, which we see as important networking opportunities but also opportunities to gather skills sometimes in those forums and exchanges of ideas.

Mr Tucker: Our program also provides for skills development and training exercises for our rangers.

Senator McEWEN: So the department funds training and skills development for young Aboriginal people?

Ms Fraser: We fund it for the rangers who are participating in that program. Sometimes it does extend to other community members who piggyback on that training that is being delivered.

Senator McEWEN: Okay, that is good. Is there any requirement or emphasis on ensuring that Indigenous young women are employed as rangers in these programs?

Ms Fraser: That is a good question. We do not actually require that of our proponents. We leave it up to the proponents to determine that sort of gender balance in their teams. It is an area we are interested in supporting further in our program. Currently just over 20 per cent of our part-time or full-time positions are filled by Indigenous women.

Senator McEWEN: Did you say 20 per cent?

Ms Fraser: Approximately.

Proceedings suspended from 15:45 to 16:00

Senator IAN MACDONALD: Are there any programs funded by the federal government dealing with dingoes and other wild dogs?

Mr Flanigan: I am not aware of any specific program in relation to Caring for our Country. I would have to take on notice whether any of our partners are involved in wild dog activities.

Senator IAN MACDONALD: I appreciate that CRCs are not this department, but do you have an input into the CRC program in relation to entities that deal specifically with environmental issues like dingoes and eradication?

Mr Flanigan: Not within the Caring for our Country program.

Senator IAN MACDONALD: I am really asking the department. If you did have anything it might be related to Caring for our Country, but my question was broader.

Mr Tucker: There certainly has been some engagement with CRCs in the past and there are some CRCs that we have a strong connection with—for example the Antarctic CRC. In relation to that specific one nothing comes to mind but we can take it on notice and ask further.

Senator IAN MACDONALD: There is a CRC—invasive pests, I think it is called—which has had programs dealing with dingoes. But I understand that its funding is far from assured. In fact, I understand that it is not going to be re-funded. I am aware that CRCs require partner agencies and I just wonder whether the department of the environment, with its current title, is a partner in that CRC.

Mr Tucker: I do not recall that we are, but we can check. On the first part of the question, there is a review of the public good CRCs but that is run by the science part of the government; it is not run by us.

Senator IAN MACDONALD: I appreciate that. I was only going to raise it if you were a partner in the invasive pests CRC—just what you knew about the future of that organisation.

Mr Tucker: Not that we are aware of—but we can confirm and can probably get an answer to you either later this evening or tomorrow.

Senator IAN MACDONALD: Is the camel containment or eradication program that was funded under Caring for our Country something you administer? I know Senator Back raised some questions about this—I understand at some length—last night in DAFF. Both departments follow that—

Mr Flanigan: That project is funded out of Caring for our Country and our involvement in it is administered through the joint team.

Senator IAN MACDONALD: You are aware of Senator Back's questions last night. I will not repeat them. I was not there. I assume you got some answers and other answers were taken on notice.

Mr Flanigan: I did not observe that particular transaction but according to a note being prepared by my colleagues in DAFF the question was around the targets for each of the four years of the program.

Senator IAN MACDONALD: I know that there are concerns about that program. Senator Back had a lot of the detail, which I am sure he raised with DAFF. I cannot take it much further except to—

Mr Flanigan: The basic target under the program is to put downward pressure on the population of camels in Central Australia. The aim is to get those populations down to a density of about 0.1 camels per square kilometre. The recent very wet two seasons they have had there have led to dispersal of the camels, so they are not aggregated like they were. That has meant both harvesting for the meat trade—mustering, effectively—and culling have been very difficult to do and not terribly cost-effective while they are dispersed so broadly through the landscape. The most recent intelligence we have is that now things are starting to dry off a bit out there some herds are starting to re-form, particularly in Western Australia.

Senator IAN MACDONALD: The comment was made—and these are just comments that you get—that whilst there was a fair bit of money spent last year the return in actual camels culled was practically minimal but the expenditure on air fares, travel costs and administration was quite large. If this has not been asked by Senator Back of the other department, could you indicate just what has been spent in the last 12 months on the program and what results we have to show for that?

Mr Flanigan: I will take that on notice.

Senator IAN MACDONALD: I digressed to camels but there is a great concern about dingoes and wild dogs. This is not necessarily Caring for our Country; this might be for Mr Tucker or Dr Grimes. I am just wondering whether this has come across the department's radar and whether the department considers dingoes and other wild dogs an issue for the Australian government. If not, who should be doing it; if so, what is the federal government doing about it? Is it an issue on the department's radar? As you know they do have an impact on the biodiversity, not to mention the sheep industry. From this department's point of view the environmental impact of wild dogs might be something of concern. Is it on your radar? If it is, is anything being done about it? If not, who should be looking after it? Should the states be doing these sorts of things?

Dr Grimes: As we indicated, we are not aware of our running specific programs that are aimed at dingoes and wild dogs but we have agreed to take that on notice and check to make sure that that is correct. Clearly any factor that is going to have an impact on biodiversity—and wild dogs and dingoes have the potential to have those sorts of impacts—is something we would be interested in. I think you are right in pointing to the fact that there will be roles and involvement for other levels of government, in particular state governments. As I think Mr Flanigan indicated, it may be that a number of the partner organisations that we work with have a greater involvement in dingo and wild dog management issues. Dingoes of course are a native species, so obviously we would be interested in the conservation of dingoes, and we would have a general interest in dogs that have an impact on the environment more generally.

Mr Tucker: Certainly we are aware that, with state and national parks with graziers nearby, state governments run programs for wild dogs. We keep abreast of that type of activity. Certainly, for species that are under a recovery plan, if the threats to the recovery of some species were associated with wild dogs we would be looking for activities within the recovery plan to deal with those threats. So we would put that through our threat abatement documentation. As Dr Grimes has said, dingoes are a native species, so our interest would be more in the wild dog populations. We do not have in our armoury at this time a specific program to fund activities with wild dogs but it would certainly be something we would be worried about if particular species were threatened by wild dogs, and it would be in recovery plans where that was a threat.

Senator IAN MACDONALD: Thank you.

Dr Grimes: I may be of some assistance to you around the camels program. As luck has it, I do have some figures on the first year of the program.

Senator IAN MACDONALD: What year is that?

Dr Grimes: That was 2009-10. The target was 15,000 camels. In the end 23,340 camels were removed in that year. As Mr Flanigan pointed out to you, it is true that with the wetter conditions there has been dispersal of camels across the countryside and that has made meeting targets in the second year much more difficult.

Senator IAN MACDONALD: Thanks for that. Obviously it was a good program in the first year, but I will get the details of the expenditure and the results for the current financial year.

Dr Grimes: I am sorry; I do not have those.

Senator IAN MACDONALD: No, we will get those on notice.

Senator BIRMINGHAM: Returning to green corridors, or national wildlife corridors as they have now become known, funding for this program provided \$10 million over three years out of the Renewable Energy Future Fund. Is that correct?

Dr Grimes: That is correct.

Senator BIRMINGHAM: Was there an assessment process or something for the National Wildlife Corridors Plan to qualify under the Renewable Energy Future Fund?

Dr Grimes: That was a budget decision.

Senator BIRMINGHAM: Is that code for 'there wasn't an assessment process'?

Dr Grimes: The question goes to offsets for a new policy proposal. The wildlife corridors were an election commitment of government and that was indicating what a funding source might be to ensure that there was an overall neutral impact on the budget.

Senator BIRMINGHAM: So the election commitment of the government in their final costings identified the Renewable Energy Future Fund as the offsetting area for funding the green corridors plan—that is correct?

Dr Grimes: That is my recollection.

Senator BIRMINGHAM: That program is administered by the Department of Resources and Energy, isn't it?

Dr Grimes: You may be right with Resources and Energy. None of us here at the table know immediately but I think you are right—Resources and Energy. If there is any correction to that we will correct the record later this afternoon.

Senator BIRMINGHAM: In any event it is a reallocation of funds from that program to this new program.

Dr Grimes: It is a saving in one area—

Senator BIRMINGHAM: It is not a grant under that program.

Dr Grimes: That is correct. It is a new program that we are administering.

Senator BIRMINGHAM: You went through some of this with Senator Siewert with regard to what will finally be delivered under this \$10 million plan, and that is essentially a national framework, a national plan, a national strategy—something of that sort?

Mr Flanigan: That is correct—along with the consultation that underpins that.

Senator BIRMINGHAM: The final outcome is a national plan, strategy or whatever you choose to call it.

Mr Flanigan: And some trial projects to take the concept into reality.

Senator BIRMINGHAM: Do you have any estimate of the size or scale of those trial projects at present?

Mr Flanigan: Not in any definitive way. That is still being discussed by the advisory group. But the thinking is that it will be based on a couple of the regional natural management body areas.

Senator BIRMINGHAM: You have \$10 million out of the Renewable Energy Future Fund, and obviously it was the Labor Party's decision to shift that. There is not a lot of renewable energy in this wildlife corridors plan, but that is their call. It is divided in the PBS between administered and departmental expenses. The administered expenses will go toward the establishment of the trial sites?

Mr Flanigan: That is correct: the establishment of the trial sites, consultation processes supporting the advisory committee, and any research that needs to be commissioned.

Senator BIRMINGHAM: Any consultancies et cetera—okay. The department expenses are of course your operational expenses in running the program. So departmental expenses start off quite high at \$1.8 million and then run at around \$1.2 million or \$1.3 million for the subsequent couple of years. So just over half the costs run in departmental expenses and a little under half will be consultancies and ultimately a couple of trial sites.

Dr Zammit: That is about right. It is a new program for the department, so this is an entirely new body of work and we need to provide resources to the department to carry the program forward and the election commitment.

Senator BIRMINGHAM: Have any decisions been made on how those trial sites will be selected?

Dr Zammit: Not yet. It is part of the work plan for the advisory group.

Senator BIRMINGHAM: Have a series of time lines or deadlines around this plan been developed?

Dr Zammit: Yes, we have done that. The advisory group's work plan as it stands after two meetings is to be able to provide the minister with advice on a draft plan at the end of this calendar year, and subject to further discussions with the minister we will be rolling out pilots in the first part of next year.

Senator BIRMINGHAM: A draft plan by the end of the calendar year is reasonably swift movement in governmental terms. What tools and activities will you need to deploy to develop that draft plan by the end of the calendar year? Will it be done with internal resources or will you be seeking external consultants to assist in that regard?

Dr Zammit: I would anticipate—but the advisory group is actually thinking about this at the moment—that we will be commissioning some particular consultancies to support us, one of which would be to do a bit of an assessment of the existing corridor proposals, plans and other activities that are in place around the country. We have already discussed that this afternoon. I expect—but we have not finalised this—we will have some other sorts of consultancies around, for example, what kinds of mapping tools you might need to help think through large-scale corridors across the continent and what suite of program and policy tools might be most effectively deployed to roll out corridors across large parts of the country. We touched earlier today on the role of the Environmental Stewardship program, for example. We have also touched on the role of the NRS and the role of Landcare. That needs to be drawn together and assembled in a way that can inform the draft plan, so there is a body of work to be done there.

Senator BIRMINGHAM: I do not recall hearing earlier today—and apologies if I missed it—who is on the advisory group.

Mr Flanigan: We did read them into the record.

Dr Zammit: I can do that again if you like.

Senator BIRMINGHAM: Could you do that very quickly?

Dr Zammit: The chair is Bob Debus.

Senator BIRMINGHAM: That is right—I do remember.

Dr Zammit: I can run through the list of names for you again. They are Kym Cheatham from Ecotourism Australia; Professor Steve Dovers from the ANU; Debra Goostrey from the Urban Development Institute of Australia; Melissa George from the Indigenous Advisory Committee; Brett de Hayr, who is the National Landcare Facilitator; Judy Henderson, who is the chair of the Northern Rivers CMA; Doug Humann, who is the CEO of Bush Heritage Australia; Angus Hume, who is an independent agriculture and NRM adviser; Vicki-Jo Russell, who is on the South Australian NRM board and the Australian Landcare Council;

Paul Sinclair from the Australian Conservation Foundation; Felicity Wishart from the Wilderness Society; and Deb Kerr from the NFF. That is the composition of the advisory group.

Senator BIRMINGHAM: It is a cast of thousands. They were selected on the department's recommendation to the minister?

Dr Zammit: There was a process of our providing a range of names, and the minister took the judgment on his preferences for this particular group.

Senator BIRMINGHAM: Is the advisory group paid or voluntary?

Dr Zammit: It is paid under the Remuneration Tribunal arrangements. The standard Remuneration Tribunal arrangements apply to this group. So they get a per diem and travel expenses, as committees typically get.

Senator BIRMINGHAM: On notice could you provide details of the relevant tribunal categories et cetera for that group? That would be appreciated. The duration of appointments to the advisory group—is that for—

Dr Zammit: It would be for the first three years, I would anticipate. It is a good question. I imagine it would be for the full three years but I can take that on notice as well.

Senator BIRMINGHAM: If you could check on that and confirm to us it would be appreciated. I will move on to the local environmental initiatives that get their own special section in Budget Paper No. 2 on page 309. Can somebody take me through those local environmental initiatives, please?

Dr Grimes: I think you are referring to the expense measure in the budget papers—the \$1 million a year over three years?

Senator BIRMINGHAM: That is right.

Dr Grimes: This includes local environmental initiatives from the mid-North Coast of New South Wales, the Cattai wetlands Big Swamp project—I am really just reading from the relevant section of the budget papers, which you have—the Lake Innes freshwater reversion program, and a feasibility study into the prevention of further erosion of the Old Bar Beach. We may have officers here who can help you further on those items.

Senator BIRMINGHAM: Excellent. What research, study or analysis has been done to validate the worthiness of these projects?

Mr Flanigan: We have had a general look at these projects. Lake Cathie and Lake Innes are significant wetlands in the North Coast. Old Bar has been a bit of an issue for some time. Part of the project is about undertaking the environmental planning necessary to identify the types of activities that would benefit those. The Lake Innes one is about trying to restore the freshwater status of that lake. The Old Bar project is, as the secretary said, about running a feasibility examination of the use of offshore artificial reefs as a coastal protection mechanism.

Senator BIRMINGHAM: To whom is the funding provided in each of these cases?

Mr Flanigan: At the moment the funding is allocated to the department. We are having discussions up in the north with local government, community groups and the NRM bodies in that area to determine a suitable person to contract for the delivery of those projects.

Senator BIRMINGHAM: I assume from the description in the budget papers that these projects do not fit into any pre-existing program or activity of the department?

Mr Flanigan: They are new funding but they will be part of the umbrella under Caring for our Country. All three projects, but particularly the two estuarine projects, will ultimately fit within our coastal and marine ecosystems projects.

Senator BIRMINGHAM: Has the department done any analysis of the worthiness of these projects in comparison to any other environmental projects that could be funded by Caring for our Country or other measures?

Mr Flanigan: These projects have come through the budget process. We were asked to provide advice in general on the projects and their capacity to meet the objectives of the program. But they are a new item in the budget. They have not been part of the infrastructure we talked about earlier today.

Senator BIRMINGHAM: 'These projects have come through the budget process' is a bit amorphous. Where did these projects come from? It is a very unusual budget line—'Local environment initiatives mid-North Coast New South Wales'. I know I would be happy to see a budget line of 'Local environmental initiatives west coast of South Australia', which we were discussing earlier, but we do not often see budget lines of this ilk.

Dr Grimes: These projects, as Mr Flanigan indicated, have been considered through the budget process. As you would appreciate, we do not go into the details of the budget process. But they were matters that were considered through the budget.

Senator BIRMINGHAM: Are they projects that the department asked to have funded through the budget process?

Dr Grimes: As I said, the process of the budget is not something that we can talk about at Senate estimates. It is a cabinet process, as you would appreciate. Mr Flanigan has indicated, though, that we did provide advice in relation to those matters.

Senator BIRMINGHAM: When was the department first advised about these projects?

Dr Grimes: I would not have that information here.

Senator BIRMINGHAM: Mr Flanigan or somebody else might.

Mr Flanigan: I do not have any particular date here, Senator.

Dr Grimes: Once again, Senator, I think you are asking us to comment on cabinet processes and I think that may be difficult for us. We could take the matter on notice and see what information can be provided.

Senator BIRMINGHAM: Senator Conroy, do feel free to tell me where the Big Swamp project at Cattai Wetlands, the Lake Innes freshwater reversion program and a feasibility study into prevention of further erosion of the Old Bar Beach happened to miraculously appear in the budget process.

Senator Conroy: I am happy to inquire on your behalf and see what information I can get from the minister.

Senator BIRMINGHAM: What electorate are these projects in?

Senator Conroy: I have absolutely no idea.

Senator BIRMINGHAM: Dr Grimes, do you know?

Dr Grimes: I cannot be sure of the electorate they are in. I do know that they are on the mid-North Coast of New South Wales, as indicated in the budget papers.

Senator BIRMINGHAM: Is anybody else at the table willing to admit that they know what electorate these projects are in?

Senator Conroy: I would be surprised if an officer at the table followed the electorate map as closely as you or I, Senator.

Senator BIRMINGHAM: I suspect, given where I imagine these projects have come from, that it is pretty well known to all.

Senator Conroy: Dr Grimes has indicated that he does not know. He knows where they are physically but not what electorate they are in.

Mr Flanigan: They are near Port Macquarie.

Dr Grimes: The reason why we are being a little cautious here is that you are asking us for a specific answer on something that we do not provide advice on. We only provide advice on specific projects. We do not break down our projects by electorate boundaries. I have not done the checking to confirm precisely which electorate those projects are in, beyond the reference in the budget papers to the mid-North Coast of New South Wales.

Senator BIRMINGHAM: On these projects which morphed out of the budget process and happened to land in the department's in-tray, in relation to the community groups, councils and otherwise that you are talking to about them, who has provided you with advice as to who to talk to about these projects or where to go to get people who might know what these projects are?

Mr Flanigan: We have not had any particular advice on that. We know the geographic locations of these places, so we are talking to the relevant regional bodies in those areas. As I said, they are in the Port Macquarie area.

Senator BIRMINGHAM: They are in the Port Macquarie area. Does that help you, Minister, in relation to which electorate they are in?

Senator Conroy: Possibly.

Senator BIRMINGHAM: I think you will find that all three of them are in the electorate of Lyne.

Senator Conroy: Stop being coy. Put us out of our misery.

Senator BIRMINGHAM: All three are in the electorate of Lyne—what a surprise. That is Mr Oakeshott's electorate.

Senator Conroy: Right.

Senator BIRMINGHAM: Indeed—it is amazing. These three projects of \$3 million over three years have just morphed into the department's in-tray during the budget process—and the department does not know who is going to be delivering the projects, aside from the fact that the department is in charge of the money in present, how they are going to be delivered or what the comparative environmental benefits of them are.

Senator Conroy: I am happy to take on notice the thrust of your stream of consciousness and see if there is anything the minister would like to add.

Senator BIRMINGHAM: Thank you, Minister. I will look forward to reading that on the day of the next estimates hearings. Is this new funding?

Mr Flanigan: Yes.

Dr Grimes: It is provided in the budget papers. It is indicated as \$1 million each year over three years as an additional appropriation.

Senator BIRMINGHAM: So it has not come out of existing Caring for our Country grants, then?

Mr Flanigan: That is correct.

Senator BIRMINGHAM: But it will be administered by those responsible for Caring for our Country?

Mr Flanigan: Under that program.

Senator BIRMINGHAM: And this funding is all identified in the budget as administered expenses so, Mr Flanigan, you and your section of the department will absorb the running costs associated with these projects?

Mr Flanigan: That is correct. It will just be one more project that we negotiate with our partner organisations for delivery.

Senator BIRMINGHAM: Can you provide on notice details of any analysis that has actually been undertaken as to the worthiness of these projects, and whether these projects meet any of the existing criteria for Caring for our Country or any of the programs that fit within the broad Caring for our Country headline. That would be appreciated.

CHAIR: There are two areas I want to question on. One is koalas, and we will come to that later. The other is national guidance for the management of acid sulfate soils in inland aquatic ecosystems. Who can help me with that?

Dr Grimes: Some of those questions may fit better with our water program tomorrow.

CHAIR: I thought it was Caring for our Country.

Dr Grimes: It may be that our Caring for our Country can provide you with some information on that. Certainly through our water programs we have had involvement in the management of acid sulfate soils. We will check whether there is an officer here who might be able to provide further information.

CHAIR: If there is an acid sulfate soil expert I would not mind hearing from them.

Mr Flanigan: It is not ringing any bells with us from within the program.

Dr Zammit: What is the title?

CHAIR: The title is National guidance for the management of acid sulfate soils in inland aquatic ecosystems 2011. I thought it was Caring for our Country.

Mr Flanigan: It is not ringing any bells.

Dr Zammit: My recollection on that topic is that it is part of a ministerial council process.

Dr Grimes: It has just been confirmed that it is indeed water. So those questions would fit under our water program tomorrow.

CHAIR: What about sulfate soils that are not in water?

Dr Grimes: I think the issue here is that the acid sulfate soils are revealed when water disappears and exposes—

Senator Conroy: How can that be in water? There is no water, by definition, at the end of the process.

Dr Grimes: I think the focus was on working with South Australia around the Lower Lakes during a drought.

CHAIR: I want to ask some questions on that tomorrow, then. Do we have anyone who can answer questions on koalas? They are iconic and they are in 1.1.

Dr Grimes: The officers may be able to answer some questions. Some of our key work on koalas is handled under a different outcome, which is again listed for tomorrow.

CHAIR: Program 1.1 is to protect effectively Australia's biodiversity and natural icons. I am told that the koala is one of the natural icons—unless you have changed the definition, Dr Grimes, and I would not do that if I were you.

Dr Grimes: You are certainly right, Senator. But because of the way in which we break up the functions within the department, those functions are handled under another outcome. But I take your point completely; I understand.

CHAIR: If it is better for tomorrow, I am happy to do that. The Environmental Stewardship Program—that is this one, isn't it?

Mr Flanigan: Yes.

CHAIR: Can you take us through the recent programs that have been announced in the budget on that?

Dr Zammit: I can. The budget papers, on page 21, refer to the new investments in Environmental Stewardship. They build on the previous four-year program. The allocation is of the order of \$84.2 million over four years. The profile before us is \$17.1 million in 2011-12, \$18.8 million in 2012-13, \$21.7 million in 2013-14 and \$26.6 million in 2014-15. As we discussed this morning, we are revising the design of the program for the out years, having successfully completed the pilot—and I have provided the committee with some statistics around that level of success—to simplify some of the delivery tools. The intent for 2011-12 is to continue with the pilot framework, which is on endangered ecosystems and ecological communities, while at the same time redesigning around habitats to simplify delivery in the out years of 2012-13 and beyond so that we can run the program essentially with a more national focus rather than a localised focus. We will also be continuing to do monitoring work. We have begun monitoring work around the existing programs. There is an ongoing commitment to maintain an active monitoring program for the remaining years to continue to build the performance measures for how the program is travelling on properties. That is part of the agreement we have with landowners. We have a reasonably sophisticated system of tracking that over time, so we can, over the longer run, develop some biophysical results for how the program travels.

CHAIR: I need some advice. The reintroduction of cattle into the Alpine National Park—is that this outcome?

Dr Grimes: Again, that would be handled under the outcome tomorrow. I will find you that outcome.

Senator BIRMINGHAM: Chair, I might jump in on Environmental Stewardship for a minute, as that is where you were. The program provides long-term payments described as being for up to 15 years. Can you take me through how that payment system works?

Dr Zammit: We run a tender process to select competitive bids. The successful bidders are approved by ministers and then we contract them on a long-term contract with annual performance measures. A successful landowner would sign an agreement and a management plan with the department, and within that management plan and agreement there would be obligations for performance reporting annually. The program funds are contingent on them providing an annual report against the performance measures for that particular project. So each year they provide the department with an annual report, and on the basis of our examining that report we provide funding for the next year.

Senator BIRMINGHAM: It is described as a continuation in the budget. Is this the same model that has been applied ready?

Dr Zammit: Yes.

Mr Flanigan: It is the same model but we are looking to simplify it and broaden it to a wider range of habitats.

Dr Zammit: But the contractual arrangements would be the same.

Senator BIRMINGHAM: As they love to put on some of those T-shirts in Asia, 'Same, same but different.'

Mr Flanigan: The previous program focused very heavily on the box gum woodlands on the western slopes. In recent years it has also added some of the natural grasslands of the basalt plains in New South Wales and Queensland, and the Weeping Myall Woodland. But these are all very discrete parts of the landscape. We are looking to broaden the concept out to be able to engage with a wider range of farmers in the landscape.

Senator BIRMINGHAM: How does the scale of this program compare with the previous one? We can do it in dollar terms first for the sake of ease.

Mr Flanigan: The administered funding under the stewardship program in 2008-09 was \$4.9 million. In 2009-10 it rose to \$10 million and in 2010-11 it rose to \$14.6 million. In the new program it is commencing at \$14 million and rising to \$16.2 million, \$19.1 million and \$23.9 million.

Senator BIRMINGHAM: And those discrepancies between the figures you have cited for the new program and the budget line in Budget Paper No. 2 which says \$17.1 million, \$18.8 million, \$21.7 million and \$26.6 million are explained, I assume, by the fact that there are ongoing funding commitments to the existing projects.

Mr Flanigan: I think that is correct. I would have to take it on notice.

Senator BIRMINGHAM: I am looking at page 308 of Budget Paper No. 2.

Dr Zammit: I think the difference is not in the ongoing commitments; it is in the departmental component. It is the running costs for the department rather than the catalogue of previous contracts that we are continuing to fund annually.

Senator BIRMINGHAM: Okay, sorry—looking at the PBS I can see how that is explained. Under the existing program how many projects have been funded?

Dr Zammit: I can tell you how many have been approved: 279 have been approved, of which 201 have been contracted—because we just completed the last round of the last program in the last few months and we are currently finalising contracts for the balance.

Senator BIRMINGHAM: And those projects are also for a period of up to 15 years?

Dr Zammit: That is right.

Senator BIRMINGHAM: And most of them are towards that 15-year scale?

Dr Zammit: Ninety per cent, I would say.

Senator BIRMINGHAM: Overwhelmingly?

Dr Zammit: Overwhelmingly, yes; that is a fair comment.

Senator BIRMINGHAM: This commitment for the new program is a significant increase in funding; we are going from about \$3 million or \$4 million a year—is that right?

Mr Flanigan: In the very first year, Senator. In administered terms it went from \$4.9 million in 2008-09 to the 2010-11 budget being \$14.6 million. The new program is starting at \$14 million and going to \$16.2 million, \$19.1 million and \$23.9 million.

Senator BIRMINGHAM: Help me here, because I am a bit confused. In Budget Paper No. 2, page 31, the line for the Environmental Stewardship program goes \$14.6 million, \$13.9 million, \$16.1 million. These reflect figures that you have been talking about—

Mr Flanigan: Rounding differences.

Senator BIRMINGHAM: Indeed. But the figures from 2011-12 onwards where this additional funding for continuation is cited are exactly just those figures of the additional funding for continuation. So all of those 279 currently approved and 201 currently contacted projects are funded out of the \$13.9 million, \$16.1 million et cetera?

Mr Flanigan: That is correct.

Dr Zammit: They are annual payments that come from each of those annual allocations.

Senator BIRMINGHAM: You needed to get extra money to meet the contractual obligations the department already had anyway?

Mr Flanigan: Yes. As I explained to Senator Siewert earlier, it is about a fifty-fifty split.

Senator BIRMINGHAM: So, of this new money, about half of it is already committed to things that you are already contracted to do and half of it is open to new projects.

Mr Flanigan: New bids and new tenders.

Senator BIRMINGHAM: How quickly would you expect to reach full commitment of new projects under the budget you have?

Dr Zammit: It is pretty difficult to forecast because we run the program over the spring and summer months and it is a market. We have tended in the past to be oversupplied. This is no guarantee for the future, but in the past we have been able to acquit all of our administered funds each year through the competitive process. There is one round a year typically, so we would imagine that we would be in a position to be taking budget decisions on expenditure for the 2011-12 round early in 2012.

Senator BIRMINGHAM: I note that it is described as a market in the budget papers, and you used that phrase as well. Could you explain to me how that market approach works?

Dr Zammit: We invite private landowners who have the environmental assets that we are interested in investing in—these are endangered ecological communities—to indicate an expression of interest. We open a tender round and we invite them to nominate their interest. As I mentioned before to Senator Siewert, we have had about 1,000 expressions of interest in the program to date. Then we need to make sure that they actually contain the asset that we wish to purchase, so we do a site check. We go through an assessment process with the landowner and they provide a bid into a tender box, as you would for any traditional commercial tender. Those bids are then evaluated through an evaluation panel and judgments are taken on value for money. Typically in the tender box there are more bids than we have budget to expend, so we choose the best value for money bids from that pool and provide the minister with advice on value for money options.

Senator BIRMINGHAM: So it is very similar to the tender process the department operates for water buy-backs?

Dr Zammit: I am not familiar with that, so I really could not comment.

Senator BIRMINGHAM: Indeed it sounds remarkably similar to the tender process that the opposition's direct action policy advocates. You were listening, Chair.

CHAIR: Yes, direct action always gets me interested. I always hope I can learn something but I am always disappointed.

Senator BIRMINGHAM: Go back and read Dr Zammit's evidence. You will be interested, I am sure.

CHAIR: Sorry, Senator Birmingham, I should have controlled myself better. I have been trying hard.

Senator BIRMINGHAM: Indeed, you are very trying sometimes. Thank you, Dr Zammit. For the current 279 approved or 201 contracted projects, what land mass are we talking about here?

Dr Zammit: What land area?

Senator BIRMINGHAM: Yes.

Dr Zammit: For the 279 approved bids, 46,394 hectares. For the currently executed contracts, 201 of those, it is 26,452 hectares.

Senator BIRMINGHAM: You have some far larger ones in the number that are approved but not yet contracted.

Dr Zammit: That is right.

Senator BIRMINGHAM: So the target presumably would be to be getting up to around 100,000 hectares?

Dr Zammit: We do not have a specific target for the program in hectares.

Senator BIRMINGHAM: Most of the contracting parties are private landowners or farmers and private reserves—

Dr Zammit: They are all private landholders but on different scales. Some would be husband-and-wife farmers and others would be perhaps groups, but they are private landowners.

Senator BIRMINGHAM: And what types of actions are they actually undertaking?

Dr Zammit: There is a fairly large menu of actions, and these are all available on the stewardship website. They include actions to manage invasive species and weeds. They include activities to manage stock intensity, grazing intensity. They also include a range of activities around revegetation and restoration of habitat. So it is a mix of new plantings, for example, and activities that take pressure off the patches of native vegetation that we are interested in restoring.

Senator BIRMINGHAM: They are not exactly apples-to-apples type projects in a tender based arrangement. How do you compare the comparative benefits of taxpayer dollars for one versus another?

Dr Zammit: We spent a fair amount of time in the design of the program building an environmental metric which is designed to operate at the field scale, so we trained field agents to apply a bunch of measurement tools and an application of those tools with the landowner. Those are entered into a field laptop and that generates, based on the condition of the environment and the sorts of management actions the landowner is proposing to take, a score. Then that score becomes the basis of the value for money test.

Mr Flanigan: In the trial that we have been running, the habitats that we have been using have been quite discrete environments because they are defined by the listed ecological communities. So in that sense there is an element of like for like in terms of the type of habitat you are working in.

Senator BIRMINGHAM: The broader program, though, is going to provide more challenges—

Mr Flanigan: Yes, and that is the reason we are spending that first year to redesign the metrics to broaden out the test.

Senator BIRMINGHAM: Who is involved once the metrics have been punched through the computer and you have some analysis in the final decision of tender approvals?

Dr Zammit: We have an assessment panel—which is me, some senior officials from the department and an independent probity adviser. The panel has the discretion to bring in expert advice as needed. That panel meets at the end of each tender round.

Senator BIRMINGHAM: Does the panel customarily bring in expert advice?

Dr Zammit: It has. It depends on the issue before us at the time. We have drawn on expert advice when we have, for example, needed advice on a particular combination of management options and we are not clear what the net effect of those might look like—we have asked for advice on that.

Senator BIRMINGHAM: Will redesigning the metrics for the broader scale program all be done internally or will—

Dr Zammit: No. We have been using CSIRO as a source for helping us think through and actually building the metrics for us and we will continue to use them because they now have the experience of our pilot round and we have been working with them reasonably closely to simplify that.

Senator BIRMINGHAM: Do your metrics consider factors like carbon content of soil, or is that not currently—

Dr Zammit: Not at all. We would be careful not to open up a metric calculation that includes carbon.

Senator BIRMINGHAM: Is the reason that the science is still being developed or is it just that you want to keep this project focused on other outcomes?

Dr Zammit: It is outside the scope of the program for the moment. It is a biodiversity conservation program and we are looking for environmental improvements. On our website we note the fact that there are inevitably carbon sequestration benefits, but those are not factored into any of the value calculations we apply.

Senator BIRMINGHAM: Have you looked at how this project may link in with the carbon farming initiative legislation that is proposed by the DCCEE or the government more generally?

Dr Zammit: We are having conversations with our colleagues in that other department around that but they have not progressed at this stage to a point where we would be in a position to expand this particular program into the carbon space.

Senator BIRMINGHAM: Thank you.

Dr Grimes: This may be an appropriate time to clarify some material from earlier on. Senator, you were asking about the Renewable Energy Future Fund. I think we were speculating on a couple of departments where it might live. We have done a little more checking. The Renewable Energy Future Fund was appropriated, or at least announced in the budget I should say, as a 'various agencies' initiative, so cutting across a number of portfolios, coordinated through DCCEE—the Climate Change and Energy Efficiency portfolio—but with the funding being contained in the contingency reserve because it was allocated across a number of portfolios. So in fact the opposite offset was from provisions for the Renewable Energy Future Fund within the contingency reserve. It is an unusual situation but it was reported quite clearly on the establishment of the program in the 2010-11 budget papers.

Senator BIRMINGHAM: Thank you, Dr Grimes. I think it has been used more as a contingency fund than a renewable energy fund, from the way it is being spent.

Senator Conroy: That is an outrageous statement.

Senator BIRMINGHAM: I am surprised you have not managed to get some of it for the NBN yet.

Senator Conroy: Is it available, do you think?

Senator BIRMINGHAM: I am not sure there is much left, but if there is I suggest you get in the queue. If I went along to arts estimates I would not be surprised to find arts funding out of the renewable energy fund as well. There will be paintings of pink batts or something.

Mr Tucker: I can also add to a question that we were asked earlier. Senator Macdonald asked us about the CRC for invasives. I can confirm that we have spoken to people in the department and we are not a partner with the CRC for invasives but it is quite possible that in the past that we may have funded projects or participated in projects with the CRC.

Senator BIRMINGHAM: Can I double-check that, along with whales and marine generally, dugongs also come later?

Mr Flanigan: Dugongs could be, depending on the nature of your question.

CHAIR: Anything that gets wet comes later. If it rains on something, it comes later. Dr Grimes, you may have noticed we are trying to get a new process here to try to get departmental divisions and outcomes into an area where we can question and you have some consistency about when you are on and when you finish. This is not something that is unique to this committee. Other committees like the finance committee, where you have been on in the past, have to get some help from the department to try to identify the correct areas for questions. I know Treasury did a sort of mud map—not an econometric model but a mud map—to say, 'This is the area for this outcome.' Is it possible for you to do that for the next estimates? It would be really helpful, I think, for all senators. Senator Siewert has come in and she was expecting a range of issues on 1.1, and so was I, and she has gone because it is 1.2. Is that a possibility?

Dr Grimes: We would be delighted to assist the committee with that and provide further information. I think it works better for all if there is a clear structure and everyone understands where the various programs fit. We would be very happy to do that for the committee before the next estimates hearing.

CHAIR: That would be great.

Dr Grimes: I do understand why there might be a little confusion with some of the—

CHAIR: There has been some movement from one outcome to another recently, hasn't there?

Dr Grimes: There have been some movements. I can see that some of the outcomes are described in ways that you might imagine another program might fit under that outcome.

CHAIR: That would be helpful.

Senator BIRMINGHAM: It would also be helpful to have it changing from year to year.

Senator Conroy: This outcome based system is entirely the fault of Senator Macdonald and his friends, who were in cabinet at the time. And I note for the first time today there is silence from Senator Macdonald.

CHAIR: I will leave it with you, Dr Grimes, and the secretary to try to give us some advice in plenty of time for next estimates.

Senator IAN MACDONALD: On that, I agree with you entirely. But, as you indicate, most of the things we are looking for are in outcome 1.2. Perhaps we should alert the public servants that we are getting close to that.

CHAIR: We are getting close, but we are about an hour away.

Senator IAN MACDONALD: I am really not sure how anyone can fill in time for the next hour, because—

CHAIR: I have plenty of questions. There are lots in outcome 1.1.

Senator BIRMINGHAM: You have had a bit of a rough strike rate in the last couple of hours attempting to fill in that space.

CHAIR: Senator Birmingham, the odds are in my favour.

Senator McEWEN: I want to follow up on some questions that Senator Birmingham was asking about Environmental Stewardship. I am interested in the swamps of the Fleurieu Peninsula Environmental Stewardship project. By happy coincidence, the Fleurieu Peninsula

is somewhere where the NBN is being rolled out very shortly. I am sure the minister will be happy about that. I thought it would be useful to see how the program is actually rolled out in practice. Is that one of the 279 approved projects?

Dr Zammit: No, it is not. The swamps of the Fleurieu Peninsula project were part of the design of the 2010-11 program, but we could not deliver on it inside the market based approach because of a whole raft of technical questions that could not be resolved around water management within the year. So what we have done for the swamps project is develop, I think, a two-year separate project that is not as technically demanding but begins to run a similar idea for protection of those swamps through investment management over the next couple of years. It is not one of the number I described to you earlier.

Senator McEWEN: How did the department choose that project for funding? Who decided that those swamps needed to be protected?

Dr Zammit: The swamps of the Fleurieu Peninsula are one of the listed ecological communities under the EPBC Act. In the current 2010-11 program we are trying to combine those sorts of communities in a region, so we had been looking carefully at the south-east of South Australia because there are a number of interesting habitats that we could invest in. We included the swamps in that consideration. So that is why they were drawn in—firstly, because they are listed and, secondly, because they are in the same region as some other habitats we wanted to run the program through. As it turned out, we could not include them in the market tool because of technical issues we did not have time to resolve.

Senator McEWEN: As you said, those swamps are identified under the EPBC Act, so it was not a process where the landholders down there said, ‘I have a significant ecological system here that I think should be protected; give me some money’?

Dr Zammit: That is right. But there were parallel processes within Caring for our Country that were doing that. So, when we could not run the project through the market tool, there was scope to invest in swamps through the broader Caring for our Country program, building on the capacity and the interest of those local communities.

Mr Flanigan: We did that because, in our advanced work, if you like, we had already had the expectation that we were going to be doing a series of activities over the swamps along with the iron-grass grasslands in South Australia. We felt it would have been unreasonable to those communities in the Fleurieu Peninsula to just abandon it because of technical reasons, so we looked for another way in which we could still bring in some conservation work in that space.

Senator McEWEN: I will go back to the swamps project in a minute. Are there any other instances like that—where you have projects hanging outside of the process?

Mr Flanigan: No, that is really the only one.

Senator McEWEN: I think you said it was \$1 million over two years?

Dr Zammit: That is right.

Senator McEWEN: Where does that money actually go? Who administers it and where does it go to? Does it go to the landowners or does it go to an NRM board?

Dr Zammit: It goes to the NRM board—I think it is the Mount Lofty NRM board, from memory.

Senator McEWEN: Mount Lofty Ranges?

Dr Zammit: I can check, but I am pretty sure it is the Mount Lofty Ranges NRM board who are the project administrators. We work with them on the contracts and the field design.

Senator McEWEN: Would all of that money go to the board?

Dr Zammit: Yes.

Mr Flanigan: For distribution.

Dr Zammit: Then they would on-spend it. They are the project managers, so we provide them with the administered fund and then they on-spend it as the contract manager.

Senator McEWEN: So they might then use some of that money to go and assist the landowners to fence those swamps to protect them from grazing or something like that?

Dr Zammit: My recollection is that they have a process where they are inviting landowners who have the swamps on their properties to put in expressions of interest. They are running a devolved grants process to provide small-scale funding for as many landowners as they can afford to invest in.

Senator McEWEN: Because they are pretty much all small landowners down there.

Dr Zammit: Yes.

Mr Flanigan: They are, and they are very small, discrete little environments as well.

Senator McEWEN: How does the NRM board have to acquit the funding that it is given?

Mr Flanigan: It is exactly the same as all of our other projects. They have a contractual arrangement and they have to meet a number of milestones, which will include their extension, if you like, to the small holders. Then they will have their own processes over being able to validate that the moneys have been well spent.

Senator McEWEN: What will be the indicators of success in that particular project, do you think?

Mr Flanigan: That set of projects is really about trying to engage with those farmers who have the swamps on their land. If you are familiar with the swamps in that part of the Fleurieu, you will know that a lot of them have been heavily cleared and overgrazed for numbers of years. In fact, from recollection, I think the swamps there might be down to just a few per cent of what they were and they are all in the valley bottoms and the creek lines. So, really, the indicators of success there are getting stock out, revegetating and allowing the swamps to fill their role in the landscape again. So it is quite simple. But part of the complication and why in the end we could not pursue the market metric was that, in the period we had to run that project, our scientific advisers could not come to grips with issues around ground water flows and those types of things. It was all just a bit too complicated.

Senator McEWEN: As well as talking to the farmers or landholders about protecting the swamps, are there any discussions with other users of the land? The Heysen Trail runs through part of that area—that is a big walking trail in South Australia. Occasionally there are conflicts between landholders and walkers about access to the trail.

Mr Flanigan: To my knowledge, we have not been drawn into those types of discussions. The catchment management authority itself may have been, but we, as the Commonwealth government, have not.

Senator McEWEN: Is there any expectation that that particular project will continue after two years or has it just been funded for two years?

Mr Flanigan: No, it has just been funded for the two years. We still have ambitions to look at how we can bring wetland type projects into this process and we will still be looking at those technical questions. But, at this stage, that funding was limited to the trial period.

Senator McEWEN: Do we know if the million dollars has been spent?

Dr Zammit: I think everything is on track, Senator. My area manages that and I have no reason to doubt that the money will be spent. I think they are a pretty well organised CMA and our relationships with them are very good. As far as I can tell, it is all moving relatively smoothly.

Senator McEWEN: I look forward to updates on the success of that project. Thank you.

CHAIR: I have one more area I want to try: the natural disaster recovery package.

Mr Flanigan: That is us.

CHAIR: Really?

Mr Flanigan: In terms of Caring for our Country, not the whole disaster recovery package. There is a bit that we are responsible for.

CHAIR: The funding for your element is the \$4.9 million for 26 regional natural resource management organisations?

Mr Flanigan: I think in total the package was about \$8 million.

Ms Howlett: The total package from Caring for our Country was around \$8.7 million.

CHAIR: This was for cyclones and floods predominantly, wasn't it?

Ms Howlett: That is correct. There was \$5.3 million for 27 natural resource management bodies who were disaster affected. That included floods, cyclones and bushfires. There was \$1.5 million to Conservation Volunteers Australia to coordinate and deliver assistance from volunteers for on-ground activities. There was \$1.1 million to address the immediate impacts on the Great Barrier Reef and \$785,000 for restoration activities in the Gondwana and Wet Tropics World Heritage areas.

CHAIR: So can you talk about the Great Barrier Reef, even though it is wet?

Mr Flanigan: That is correct.

CHAIR: I am like one of those goal kickers—I am getting there. I am getting a few over the bar.

Mr Flanigan: In terms of us having provided them that money.

CHAIR: I will not go there yet. I want to talk about New South Wales. Some of the flooding in New South Wales was pretty severe, but it did not get the publicity that the tragic disasters elsewhere did, obviously. What sort of work has been done in the Gwydir area?

Mr Flanigan: In the Gwydir catchment?

CHAIR: Yes.

Mr Flanigan: In New South Wales the bodies that we provided funding to as part of this package were the Border Rivers-Gwydir; Northern Rivers; Murray—that is, the Murray Catchment Management Authority; the Murrumbidgee Catchment Management Authority;

the Lachlan Catchment Management Authority; and the Central West Catchment Management Authority. Both the Border Rivers-Gwydir and the Northern Rivers catchments were determined through this process to be particularly severely impacted areas. They got a higher amount of funding—\$400,000 each. I think they were also eligible for support from the Conservation Volunteers package. Throughout the whole package, the projects that are eligible for expenditure of those funds are stream bank, gully and wetland restoration; replanting and restoration of impacted native vegetation; restoration of fencing where the purpose of the fencing is stock exclusion from or reduction of grazing pressure in important environmental areas; restoration of off-stream stock watering points—these are designed to protect the stream banks, keep stock away from the stream banks and return some stability; reconstruction of wildlife corridors and old biodiversity plantings and those sorts of things; removal of debris that was spread by the floodwaters and debris spread by winds in the case of cyclone affected areas; control of pests and weeds where the natural disaster has acted as a vector to spread them—that is most often the case in the flood areas; restoration of in-stream habitat; and mitigation of any impacts on protected species. That is the range of things they can spend the funds on.

CHAIR: Does this funding allocate who is applying for the funding?

Mr Flanigan: It was put together as an emergency package. All of the funds were provided through the natural resource management regional bodies, with the exception of those ones that went to the Conservation Volunteers—they got \$1.5 million to bring volunteers into the highly affected areas—the Great Barrier Reef money and the funds that were for the two World Heritage areas. Those funds have gone to the government agencies managing those two areas.

CHAIR: It is very difficult to get outcomes when you are dealing with a disaster. How do you deal with that so that this money is delivering what we—

Mr Flanigan: Part of the objective here, Senator, was to try to get that support to the ground fairly quickly to help people. For the activities that I just ran through, essentially we said, ‘If you are eligible—that is, if you have fallen into one of the categories of impact—you can have this amount of funds to spend on those activities.’ The bulk of the monitoring of it is then done in the delivery phase rather than in the original upfront contracting phase. That was driven by the desire to be able to get out and help quickly.

CHAIR: What sort of work is being done on the Great Barrier Reef?

Dr Grimes: One of our major flagship involvements is through the Reef Rescue program. Maybe the officers can take you through the details of that program and how it is operating.

Mr Flanigan: The Reef Rescue is an additional set of activities and one where we have provided a bit of additional flexibility in the management of our grants. The \$1.1 million that was provided to the marine park authority was for the following activities: a detailed assessment of the impacts on critical habitats, including the islands in the marine park, with a bit of a focus on impacts on tourism infrastructure—we are talking there about things like dive pontoons and the like—with the objective of trying very quickly to remediate those types of activities so that the impact on the economy of Queensland is minimised; some dugong and seagrass surveys; and an expansion of the Eye on the Reef monitoring activities. It also provided funding to undertake emergency works in the marine area and for island restoration

and recovery; some enhanced work around crown-of-thorns starfish outbreaks—one of the things that often happens with big injections of freshwater and nutrients is that you get crown-of-thorns outbreaks; and some additional education activities around the vulnerability of the reef.

Mr Tucker: I can add that the additional funding was because the size and impact of the damage as a result of those natural disasters were beyond the normal capacity of the Great Barrier Reef Marine Park Authority budget to manage. So additional resources were required to do those studies, look at the damage and prepare for whatever was necessary in terms of repair of the reef system.

Senator IAN MACDONALD: Can I be helpful and suggest that, if you read Hansard, you will see that Dr Reichelt spoke about this earlier today.

CHAIR: Thank you for your help. Is Coastcare under outcome 1.1?

Mr Flanigan: Yes.

CHAIR: Is the Reef Rescue program under Coastcare?

Mr Flanigan: Reef Rescue is under outcome 1.1 as well. They both fall under the umbrella of the program.

CHAIR: What about the Coastcare program—where is that up to?

Mr Flanigan: The Coastcare program is part of the Caring for our Country initiative. One of the national priority areas is coastal and aquatic environments. Over the life of the program to date, we have had over 550 projects with coastal communities. This has included 440 community Coastcare projects. The Coastcare projects generally come about through two streams of funding under the program. One is that open-call body of work that we discussed earlier on today and the other is the community action grants, which are smaller projects with small payments to \$20,000 to support small community groups—Landcare groups and Coastcare groups. The Coastcare projects come out of those two places. In the critical aquatic ecosystems part of it, which is often related to Coastcare projects because it includes estuaries and the like, over 100 projects have been funded over the life of the program, covering approximately 500,000 hectares of critical aquatic ecosystems.

CHAIR: Does this cover erosion?

Mr Flanigan: The coastal thing would include dune erosion and habitat restoration works around important wetlands. So, yes, it does include elements of erosion. It is normally on the peri-urban areas.

CHAIR: Are some of these projects factoring in potential sea level rises?

Mr Flanigan: We have not been particularly requiring that of the groups. But, having had a long association with the Coastcare program, a lot of the community groups involved in that type of work are very aware of the potential impact of sea level rises on that coastal fringe habitat.

CHAIR: Even without sea level rises, there is storm erosion. We have seen houses collapse in New South Wales coastal towns. Is that the type of work that would qualify for that?

Mr Flanigan: No, the type of work here is around environmental restoration—dune restoration, controlling public access so as to avoid destabilising dunes, mangrove restoration

and working in coastal estuaries to improve samphire flat country. Those types of activities are generally the things that get funded under the coastal component of the program.

CHAIR: Is the Reef Rescue program a separate program?

Mr Flanigan: Yes.

CHAIR: How come that is in output 1.1 if it is wet?

Mr Flanigan: I will resist the urge.

Ms Howlett: The Reef Rescue program is a \$200 million election commitment and \$153.2 million of that has already been approved over the life of the program. \$158 million is committed to water quality grants and partnerships, which are delivered through the natural resource management bodies in the Great Barrier Reef catchments. Those funds are being used to improve the land management practices of farmers and graziers in the Great Barrier Reef catchments. For example, in the sugar industry much of that funding has gone towards what we call precision agriculture and controlled traffic farming. That means that farmers are able to purchase equipment that they would not otherwise be able to afford—for example, putting GPS onto their tractors so that their rows are very accurately sown. That then enables them to have precision application of pesticides and fertilisers, which means they use a lot less than they otherwise would have. Anecdotally, some of the farmers have told me that they think they are using up to half of what they previously used.

CHAIR: Is there an education part of this program?

Ms Howlett: Yes, there is.

Mr Flanigan: While my colleague is looking for that information, I would add that the projects range across a number of areas and deal with cane growers in certain locations, horticultural sectors in others and the grazing sector in other places. So the nature of the project is different depending on the region and the make-up of the agricultural sectors along the area. The general targets that we are working to are the improvement of farm practices such that we can aim at getting a reduction of nutrients and sediments running off the farmlands into the Great Barrier Reef. It is part of an activity that is time limited. The intention is to use it as a process by which we get uptake of new technology and a reduction in nutrients and sediment flowing to the reef. The way it progresses is that there is generally a requirement for a fifty-fifty matching situation. This is one of those cases where it is a bit hard to work out what is the public gain and what is the private gain. Obviously, if you improve practices on farms, there is a return to the farm over time. So there is a requirement for matching from the farmers.

CHAIR: Does that mean a reduction in fertiliser use or is it a different type of fertiliser?

Mr Flanigan: You would get both. Our expectation is that you would get a reduction in use because you are not losing it into the creeks and the ocean. That is where you get a bit of a private gain to the farmer: he is having to put less fertiliser on to get the same return.

CHAIR: Is capture and diversion involved?

Mr Flanigan: The sorts of projects they do in addition to the technological fixes around the gear that they use include things like building up and repairing on-farm wetlands to intercept run-off so that you keep the sediment and nutrients on-farm; and building and repairing vegetation strips has a similar sort of effect. So you have a range of different

projects. It does depend a bit on the sector. In the sector that is dealing with cattle grazers, the issue there has been more about overstocking and rotation rates and the like, so the way in which the NRM bodies have engaged with those farmers has been different. That is where you get a different combination of activities and a different combination of extensions.

CHAIR: I suppose the Great Barrier Reef is a hot spot. Is that one of the main Coastcare areas?

Mr Flanigan: Because the reef is a World Heritage area, in the original design of the Caring for our Country program it was identified as a particularly important area. There was a piece of work that was done with a range of scientists to identify what were the significant contributors of diffuse-source nutrients and sediment into the reef. The issue for the reef, of course, is that if you get too much fertiliser and sediment on the reef you get smothering, light attenuation, algae blooms and the like. So the intention was to try to reduce and put downward pressure on those negative impacts on the reef so that the reef would be more resilient and more able to cope with other environmental impacts that it might suffer from time to time.

CHAIR: It would not be so much local community groups as farmers running an agricultural business that we are dealing with in this area?

Mr Flanigan: That is the principal target. Some of the projects in the package have gone, as you asked before, to extension and education through some of the industry partners. AgForce, I think, is one of the industry partners in this. They have done a bit of work in that space. There was some partnering with the World Wildlife Fund in some early parts as well. But, principally, the target is changing the practice of farmers whose land is draining into the marine park area.

CHAIR: I remember a few years ago this was a big public issue when roads were being put in in some areas of the Great Barrier Reef. For how long has this been recognised as a problem?

Mr Flanigan: The problem of sediment and nutrient?

CHAIR: Of nutrient run-off.

Mr Flanigan: I could not put a year on that, Senator. But the problems of diffuse-source pollution in coralline environments and coastal estuaries have been recognised in the scientific literature for decades—30 years or longer. As to the particular issues around the impacts on the reef, we have lost our colleagues from the marine park, but I am sure—

CHAIR: They thought we were not going to talk about water, so they have buggered off.

Senator BIRMINGHAM: We have basically finished with outcome 1.1 as well.

CHAIR: We are nearly there, Senator. I am still interested in the education part.

Ms Howlett: I do not have the exact number in front of me, but my recollection is that we engaged between 2,000 and 2½ thousand farmers in training activities. That goes alongside those grants to farmers to change their practices. We have engaged over 1,600 land managers over 500,000 hectares to date. We are well on track to meet our targets.

CHAIR: Is there a measurement to show this is working? Is there any anecdotal evidence that it is stopping?

Ms Howlett: A portion of the funding is dedicated to a monitoring program called the Paddock to Reef Program, which is delivered in collaboration with the Queensland government and the Great Barrier Reef Marine Park Authority. That includes water quality monitoring, which is done by the Great Barrier Reef Marine Park Authority. There is a range of other scientific activities in collaboration with land managers and the peak industry organisations and that will result in a series of reports. We anticipate that the baseline report will be released later this year and that, over the life of the program, we will have actual data that will show the results of the reductions in run-off to the reef.

Senator BIRMINGHAM: I want to check on dugongs if I can, please.

CHAIR: They get wet too.

Senator Conroy: Yes, but they swim.

Senator BIRMINGHAM: Not fast enough sometimes. It seems to be a problem.

Dr Grimes: We would be happy to have dugong questions here and see if they are ones that we can answer here. If they are for later, we will advise you.

Senator BIRMINGHAM: There were various allegations at the beginning this year about the sale of dugong bones or the carving of dugong bones as well as the potential transportation of dugong meat and black-market trading in dugong meat. Is the department at all aware of those allegations, particularly stemming from Queensland?

Dr Grimes: We immediately seem to have come into that problem where we have dugong things in outcome 1.2.

Senator Conroy: Really?

Mr Tucker: We are aware that the officers who deal with that particular issue and who know about the details are in outcome 1.2. This particular area—outcome 1.1, Caring for our Country—provides funding for a number of programs that include dugong conservation. So, while we are dealing with the same species, in one sense it will be about funding and in another area we might be doing regulation. That is why there is confusion and separation.

Dr Grimes: It appears that we actually have the relevant officers here and they may be able to assist.

Senator BIRMINGHAM: There is an overlapping area to get us into that space.

CHAIR: Is that called a segue?

Mr Oxley: Just to further confuse the situation, if the nature of the questions that Senator Birmingham wishes to ask is about investigation of allocations and so on, that would be dealt with tomorrow by the Approval and Wildlife Division, which has the investigator functions of the department.

Senator BIRMINGHAM: Hands up everyone who loves government.

Mr Flanigan: It is worse with turtles, Senator, because they cross state, territory and local government boundaries.

CHAIR: I took the strike rate up to 50 per cent before I gave up.

Senator BIRMINGHAM: We will come tomorrow to investigation issues. I fear we may have passed aspects of my next question on Indigenous rangers.

Mr Flanigan: That is us.

Senator BIRMINGHAM: That is you guys—happy days. Do Indigenous rangers have any powers when it comes to illegal fishing or illegal activities, particularly poaching of dugongs and the like?

Mr Flanigan: The rangers that we currently fund under the Working on Country program do not have those powers at this point in time, unless they are given by some other activity—that is, the Queensland government. But it is something that we are investigating.

Senator BIRMINGHAM: Has the Queensland government approached the department at all about potentially giving rangers those powers?

Mr Flanigan: I think there are two answers to that. One of them is that over the years the Great Barrier Reef Marine Park Authority has been having those types of discussions with the people who do the fisheries patrol within the marine park. But more recently we have been having exploratory discussions with Queensland government about the roles and potential roles of the rangers in the issue of improving management around dugong.

Senator BIRMINGHAM: Are these discussions initiated by the Commonwealth department or the Queensland government?

Mr Tucker: I can add some things. We have been conscious for some time, as have a number of people in this area, that we would like to see some more effective measures in terms of dugong management. It is hard to say who initiated it first. It has been widely held and we have had a number of discussions with our state counterparts. As Mr Flanigan said, the Great Barrier Reef Marine Park Authority has also been looking into some ways that we can perhaps improve the effective management of dugong take and Indigenous involvement.

Dr Grimes: It is true that the state government has been calling on the Commonwealth for action in this area.

Mr Oxley: Towards the end of last year, at the joint initiative of Minister Burke and the Queensland environment minister, Minister Jones, I think it is, the two governments established a dugong task force. That dugong task force is working through a whole lot of issues with the objective of trying to achieve better conservation management and sustainable use of dugong in the waters of Queensland. The focus has been primarily on the east coast, I think, at this stage, but that does not mean that it will not also look at the Gulf of Carpentaria. Mr Routh is the Commonwealth's primary representative on that committee and he may like to give you an overview of the work of that task force and the issues that are being addressed at the moment.

Mr Routh: As Mr Oxley has said, I am the co-chair with Queensland of this task force that was established following the roundtable meeting between our minister and Minister Jones from Queensland. The task force is looking at four key areas: compliance and enforcement, programs, science and stakeholder engagement. As Mr Oxley has said, the objective is to identify areas for improvement in relation to more effective management of dugong conservation. That is a joint exercise. It is looking across the whole Queensland coast. It does include all of the relevant parties from SEWPaC and other Commonwealth agencies. Obviously, Queensland agencies as well are part of that exercise.

Senator BIRMINGHAM: This was established late last year?

Mr Routh: That is correct.

Senator BIRMINGHAM: Has the working group reached any decisions or made any recommendations to either government as yet?

Mr Routh: There has been an interim report in relation to the compliance and enforcement issues, which were identified as the first priority for focus for the task force. That has been the primary outcome or progress to date of the task force.

Senator BIRMINGHAM: And that interim report has been provided to both ministers? Where has it gone?

Mr Routh: Yes, that is correct, as an interim draft report focusing on that topic. The idea is that then we will refine that work, address the other issues as well and then present a report across all of those issues to both ministers again.

Senator BIRMINGHAM: What is the time line for the final report?

Mr Routh: Approximately the middle of this year.

Senator BIRMINGHAM: So that is relatively soon.

Mr Routh: It is, but it is not: day X in month X. There is some flexibility in that. But certainly the compliance and enforcement component was addressed early.

Senator BIRMINGHAM: Thank you. I have one other question potentially in this space. There were some reports of potential negative impacts on dugongs of the flood run-off. I know there have been some discussions about other impacts of the flood run-off, but what about the impact of floods on dugongs?

Mr Routh: That has been identified as an issue I think by quite a number of parties. The impact, as you might be aware, comes from seagrass if it is buried by the effects of the flooding. The concern here is that, because the flooding was so widespread along such a vast expanse of the Queensland coast, the scientists say that may well mean that the food supply for the dugong is significantly adversely affected.

Senator BIRMINGHAM: It limits their capacity to easily relocate?

Mr Routh: Precisely. That is correct. If their food supply is adversely affected and they cannot readily relocate then the scientific advice is that that may well mean impacts on the population. We cannot say whether they will be significant or not, but I understand those impacts have a lag time of something in the order of six months.

Senator BIRMINGHAM: What are the current population understandings or estimates on the dugong?

Mr Routh: I do not have those in front of me, but I can take that on notice because that data does exist.

Senator BIRMINGHAM: If you could. I assume they are segmented by an east coast, Cape York et cetera type of regional basis.

Mr Routh: Yes.

Senator BIRMINGHAM: And the trends in that regard, such as they exist, would be useful as well. I will do prosecutions and enforcement tomorrow in the appropriate space, hopefully.

Senator IAN MACDONALD: Does anyone do anything about crocodiles at a federal level or is it entirely a state issue?

Senator BIRMINGHAM: Senator Macdonald has a definite crocodile phobia.

Senator IAN MACDONALD: Yes, I do. That is the one thing I agree with Mr Katter on.

Mr Tucker: That will be handled tomorrow by the Approval and Wildlife Division.

CHAIR: Because they are wet.

Senator Conroy: They swim faster than dugongs.

CHAIR: Dugongs are okay; crocodiles are not.

Senator IAN MACDONALD: Crocodiles are increasing in numbers exponentially and becoming a real menace.

CHAIR: Senator Birmingham, it is 5.45. The scheduled break is at six o'clock. I am happy to go to outcome 1.2 now or have an early mark and come back and resume on schedule. It is your call.

Senator BIRMINGHAM: Tempting though it is from a personal perspective to take the early mark, I have seen the number of senators coming and going and asking questions that seem to relate to outcome 1.2, so I think I would rather push on.

Mr Flanigan: Just before we wind up, there was an earlier question from Senator Macdonald about which wild rivers rangers groups we have partnered up with. The locations of those groups are Burketown, Kowanyama, Mapoon, northern peninsula area, and Kaanju Ngaachi IPA.

Senator IAN MACDONALD: You will still get for me on notice, though, will you, how many rangers we supply and how many the state supplies?

Mr Flanigan: In North Queensland we supply 200 and the state supplies 24.

Senator IAN MACDONALD: So on average that would be four per group.

Mr Flanigan: The other question you asked was about the names of all the groups around the country and the budget allocations. We will provide that on notice.

[17:47]

CHAIR: I thank the officers in relation to program 1.1 and I now call officers from the department in relation to program 1.2, Environmental information and research.

Senator BIRMINGHAM: Do we have estimates of how many whales were killed in the last Japanese whaling season?

Ms Petrachenko: We do not have formal estimates from the Japanese for this past Southern Ocean season. We anticipate receiving them at the upcoming IWC meeting in Jersey in July. The requirement is for the Japanese to submit that information to the IWC secretariat for that meeting. Media reports indicate that there were 170 minke whales and two fin whales killed, but we do not have the Japanese numbers per se.

Senator BIRMINGHAM: If those media reports are correct, that is a significant reduction on previous years, is it not?

Ms Petrachenko: Yes, it is and it is significant significantly below their self-imposed quota of 180 minke whales plus or minus 10 per cent—which is the quota they give themselves for their so-called scientific whaling.

Senator BIRMINGHAM: Sorry, I thought the figure was different. So their self-imposed quota is 180 minke whales—

Ms Petrachenko: Sorry, did I say that. It is 850.

Senator BIRMINGHAM: You threw me there. That sounds far more like it.

Ms Petrachenko: Sorry—that was my mistake.

Senator BIRMINGHAM: So it was well below the norm, and it was an earlier end to the whaling season than has historically been the case.

Ms Petrachenko: That is correct. They give themselves a permit as per their interpretation of article VII of the International Convention for the Regulation of Whaling. As you know, we have contested their use of that article in the International Court of Justice. They give themselves a permit that goes for about a four-month period. They did not fulfil that period. They stopped early this year.

Senator BIRMINGHAM: The protesters who tend to follow the Japanese fleet around the Southern Ocean at the time claimed some success for stopping the whaling season early. Does the department share that analysis or viewpoint?

Ms Petrachenko: I think the reasons for the Japanese stopping this past season are officially unknown to us. It is a matter of conjecture. There are various views around, such as whether it has to do with the economic situation in terms of government funding back in Japan or has to do with markets, in that there are reports, again unsubstantiated, that there is a backlog of whale meat in Japan. There are a number of reasons out there, so we do not know for sure.

Senator BIRMINGHAM: Speaking of reports, a few weeks ago there was a report that raised excitement levels significantly about a potential permanent end to Japanese whaling. Did that cross your desk, Ms Petrachenko, before its validity was brought into question?

Ms Petrachenko: Let us put it this way, Senator: when it crossed my desk its validity was brought into question.

Senator BIRMINGHAM: Fair enough. It did not seem to survive terribly long in the internet world but it did survive a little while—just enough for people to look at it but, thankfully, for none of us to say anything about it. You have mentioned some of the issues of the economics of whaling at present, and reports in that regard. There are also reports or suggestions that the fleet itself has suffered as a result of the tsunami. Does the Australian government have any understanding or intelligence on that?

Ms Petrachenko: Yes. The *Nisshin Maru*, which is the large ship that they use for their Southern Ocean whaling as well as their JARPN program in the North Pacific, was used after the earthquake and tsunami for humanitarian assistance to various coastal villages. So based on that report we assume that it was unharmed, and in fact it is resuming so-called scientific whaling in the North Pacific at this time.

Senator BIRMINGHAM: So their principal capabilities with regard to whaling appear to still be intact, contrary to reports that suggest otherwise.

Ms Petrachenko: That is my understanding.

Senator BIRMINGHAM: Australia, as I understand it, lodged the next statement, whatever it is called, in the ICJ case the other week.

Ms Petrachenko: That is correct—on 9 May in The Hague.

Senator BIRMINGHAM: How closely is your department working with the Attorney-General's Department in the prosecution of that case?

Ms Petrachenko: We work very closely with the Attorney-General's Department.

Senator BIRMINGHAM: What are the time lines from here for the case, as you understand it?

Ms Petrachenko: As you indicated, we lodged what is referred to as our memorial—that is our written submission—

Senator BIRMINGHAM: A rather unfortunate term.

Ms Petrachenko: Yes. We introduced it into the court on 9 May. The court has ordered that Japan submit its countermemorial by 9 March 2012.

Senator BIRMINGHAM: It is a slow-moving beast, the ICJ, but I guess so are the beasts that we are talking about. All of the budget allocation for the ICJ case is attributed to Attorney-General's?

Ms Petrachenko: No, not all of it. Three departments were involved in funding for that: the Attorney-General's Department, Foreign Affairs and us. We received funding for this financial year of about \$235,000, I believe. But we also have funds provided because we use our scientists in the Australian Antarctic Division, which is part of the department as well—\$623,000, for a total of \$878,000.

Senator BIRMINGHAM: And that is just for the SEWPaC contribution to the case, and that is just in the 2010-11 financial year?

Ms Petrachenko: That is correct.

Senator BIRMINGHAM: I do have a vague recollection that that was announced in MYEFO or something like that. I assume there is funding over the forward estimates for that as well?

Ms Petrachenko: That is correct.

Senator BIRMINGHAM: Can you clarify that—because it is a bit hard to pull those things out of the PBS sometimes.

Ms Petrachenko: Yes. It is pretty well marginally the same over the next three years. The totals for the subsequent three years are \$830,000, \$838,000 and in 2013-14 \$925,000.

Senator BIRMINGHAM: Is it reasonable to expect that the process of the long-winded ICJ case will by 2013-14 be reaching the point of conclusion?

Ms Petrachenko: As my colleagues from the Attorney-General's Department say, one can never be certain, given the number of potential motions, questions that can be asked and orders that can be given by the court. But we would anticipate that that is an average amount of time for one of these very complex international legal cases.

Senator BIRMINGHAM: So that is the duration of the government budgeting for the case at present and you hope that it will be concluded in that time line?

Ms Petrachenko: Yes.

Senator BIRMINGHAM: Thank you. SEWPaC, through your section of the department, is managing the work program with the Antarctic Division for the additional scientific work that needs to be undertaken?

Ms Petrachenko: We manage with the scientists from the Antarctic Division whatever it is that Attorney-General's requires of us. I really cannot go into a lot of detail on the tactics and strategies associated with the case, for the obvious reason that it might prejudice our outcome.

Senator BIRMINGHAM: You are using your internal scientists for hire, in a sense—expert witnesses of your own. Perhaps that is the way to describe it in this instance. The IWC, you mentioned, is in Jersey.

Ms Petrachenko: That is correct. It is Jersey in the Channel Islands, which is an interesting place, some might think, to hold it. I can give you background on why the meeting is being held there. The normal practice in the IWC is that a country—a member of the IWC—would offer to host the subsequent meeting. In Agadir last year there was no offer from a country to host the 2011 meeting. The rules of procedure are that if no host country comes forward the hosting of the meeting reverts to the secretariat, which is based in the UK, having to organise the meeting, and they look for the most inexpensive venue around the UK, and that is what they came up with.

Senator BIRMINGHAM: Jersey in the Channel Islands—interesting. Does that show that the membership is a little frustrated or uninterested in the IWC, that nobody wanted to host the extravaganza for this year?

Ms Petrachenko: I would not say it is disinterest; I think it is more a reflection of the global financial situation, especially for a number of countries—European countries, as we know, and places like that. It is an expense to a country to host the IWC, which is 89 countries and thousands of individuals and security. So I believe, from what I have heard from my colleagues, that cost was a factor for a number of countries.

Senator BIRMINGHAM: With an involuntary host, does that mean that all of the other participating countries have to chip in a bit more?

Ms Petrachenko: No. It is covered by our base contributions that all countries make. I now have the responsibility of being the chair of the Finance and Administration Committee of the International Whaling Commission, so I have been working with the secretariat to ensure that the costs are brought down so that there is no additional impost on member countries.

Senator BIRMINGHAM: You get all the good jobs, Ms Petrachenko. What is Australia's annual contribution to the IWC?

Ms Petrachenko: From memory—it is in pounds—I think it is around £60,000 to £70,000, but I will take that on notice and verify because it does change annually—but it is usually in that area.

Senator BIRMINGHAM: If you could advise, that would be great. Obviously the exchange rate is working in our favour at present.

CHAIR: I propose that we break now. We will resume with this line of questioning when we return. Thank you.

Proceedings suspended from 18:00 to 19:01

CHAIR: I declare this evening session open. Senator Birmingham—you were in continuation.

Senator BIRMINGHAM: Thank you, Chair. I think we were in Jersey, in the Channel Islands, when we left off.

Senator FISHER: Dream on!

Senator BIRMINGHAM: This year's IWC concludes with the major meetings in early July; is that right?

Ms Petrachenko: That is correct.

Senator BIRMINGHAM: Starting from when?

Ms Petrachenko: From 4 July. It finishes on 14 July—that is the last day, the Thursday.

Senator BIRMINGHAM: And then of course there are the scientific pre-meets and so on.

Ms Petrachenko: This year we are doing something a bit different. Normally, the scientific committee meets in the two weeks prior to the meeting of the other committees and the commission. Instead, this year, the scientific committee is meeting very soon, from 30 May to 11 June, in Norway. This is a very positive thing from our perspective. What happened this year was that Norway offered to host just the scientific committee, not the full commission. The advantage of that is that the scientists will meet and do their reports earlier, giving people like me and Minister Burke more time to get across the detail of what happened at the scientific committee prior to the commission meeting. What used to happen is that the scientific committee meeting would end and, right away, you would walk into the commission meetings. Commissioners have complained about that for a number of years, so this is a big improvement.

Senator BIRMINGHAM: Okay. And is there anything positive that can be read into the fact that it is being held in Norway, one of the whaling countries?

Ms Petrachenko: You are aware of our initiative the Southern Ocean Non-Lethal Research Partnership?

Senator BIRMINGHAM: Yes.

Ms Petrachenko: Well, one of the very positive things is that Norway have joined the Southern Ocean Research Partnership. They have a lot of scientific experience in nonlethal areas, so we are very pleased that they are part of this partnership.

Senator BIRMINGHAM: That does sound like a positive development in that regard. That is the partnership that is funded under the 'International Whale Science Initiative' line in the budget?

Ms Petrachenko: That is correct.

Senator BIRMINGHAM: And there have been no variations to that since it was initially announced?

Ms Petrachenko: No.

Senator BIRMINGHAM: Has any work under that been finalised as yet, or is it still a work in progress?

Ms Petrachenko: It is very much a multi-year program. You may recall we had a joint expedition of the *Tangaroa* with New Zealand. That fieldwork took place one year ago, so what is going on now is that the results from that research are being analysed by the scientists in the Antarctic Division as well as in other countries around the world. Planning is underway for the next field season. We are planning for what is referred to the International Year of the Blue Whale, potentially in 2012-13, when we are looking at having ships from a number of countries doing non-lethal research in various parts of Antarctica for a big survey, hopefully, of blue whales. That work is underway. We had a planning meeting in March this year with a number of the partnership countries there, including Norway.

Senator BIRMINGHAM: Will there be interim findings released on this research or is it all leading up to a final crescendo?

Ms Petrachenko: What will be submitted to the Scientific Committee is the status of the work so far and then the plans in some detail for what I have just outlined in terms of the forward plan of work for blue whales and others.

Senator BIRMINGHAM: That update and information that will be submitted to the Scientific Committee I assume will be made publicly available as well, given that it is all pretty public once you take it to a forum like that.

Ms Petrachenko: Yes, what happens is the Scientific Committee is held for the participants of that committee and their report then is confidential until it is submitted to the commission in Jersey, so it will be public at the beginning of that meeting.

Senator BIRMINGHAM: With regard to the agenda and issues that may feature at the meeting in Jersey, are there any particular proposals under development this year? We have had the previous years of significant debates around the chair's proposal that came and went, and so on. Is there anything that people should be looking out for this year?

Ms Petrachenko: Again, on a very positive note, this year will be a very full agenda for the Conservation Committee and the commission. We have been working intersessionally on a strategic plan for whale watching and how to build capacity for whale watching as another non-lethal use of whales. That work will be presented to the Conservation Committee and to the full commission. As well, we have been working with mostly our South American colleagues on recovery plans—or conservation management plans, as the IWC refers to them—for southern right whales and, also, on an overall template or approach to doing conservation management plans. We had a steering committee meeting in March for that and the work will be presented and hopefully endorsed by the IWC. Other priority candidates for conservation management plans will be tabled, we hope, as well.

Senator BIRMINGHAM: Is Japan a party or a co-party to any of those particular initiatives or working groups you just referred to?

Ms Petrachenko: The Conservation Committee itself is open to all members of the IWC, so we would hope to see them at this year's Conservation Committee.

Senator BIRMINGHAM: Who will be leading the delegation to this year's IWC?

Ms Petrachenko: Minister Burke is planning to attend the commission meeting.

Senator BIRMINGHAM: That will be his first, I assume.

Senator BOSWELL: And what a great spot to have it, in Jersey!

Senator BIRMINGHAM: Yes. Have you finalised the size of the delegation for this year?

Ms Petrachenko: We are in the process of doing that. I can tell you that we have two confirmed representatives from non-governmental organisations, as is the normal practice. We had a roundtable meeting with those NGOs with an interest in whales and they have nominated two individuals to be part of the delegation. They pay their own expenses. I will be there, as well as Ms Schweitzer, our alternate commissioner. Dr Nick Gales from the Antarctic Division, who is head of our delegation to the Scientific Committee, will be there. There will be officers, yet to be finalised, from our department, from Foreign Affairs and from Attorney-General's.

Senator BIRMINGHAM: When they are finalised, could you provide that? If it is in time that would be greatly appreciated. Aside from the scientific work and obviously the work on the legal case you are doing with Attorney-General's, is the department engaging any other external services to assist in preparation of arguments or matters for this year's IWC or anything else that is related to whaling?

Ms Petrachenko: You mean any consultancy contracts in preparation for this IWC?

Senator BIRMINGHAM: Yes.

Ms Petrachenko: No.

Senator BIRMINGHAM: Or anything else at present related to whaling, aside from the scientific research?

Ms Petrachenko: On our domestic agenda, yes. We have four recovery plans that are underway. Under the EPBC Act we have recovery plans. We did a review of them last year that said those four plans need to be updated. We are in the process of doing that. I am not sure whether the tenders have been completed, but we have gone out to tender for some scientific assistance to help us with the development of those recovery plans.

Senator BIRMINGHAM: Recovery plans dealing with beached whales? What is a recovery plan?

Ms Petrachenko: No, they are for southern right whales as well, domestically. So these are plans under the EPBC Act where we know the population is depleted. We then look at actions that governments can take at both the Commonwealth level and the state level and identify whether there are mitigation factors, things we should be doing, key areas of critical habitat or other actions. So that is what we are looking at—other practices and those sorts of things that might endanger whales and might need to be dealt with. So all of the threats and actions that need to be taken are identified. Those plans then go forward to the Threatened Species Scientific Committee and to the minister for endorsement.

Senator BIRMINGHAM: Does that process interact with the marine reserves planning process?

Ms Petrachenko: Through the marine bioregional planning process. It has been very helpful for us in identifying a number of key areas of importance for cetaceans more generally, so we work with the information provided through that planning process as well.

Senator BIRMINGHAM: We will come to that planning process very soon, I am sure. I will just confirm this, then: in terms of consultants and so on, since Mr Hollway ceased work as the envoy, the department has not engaged or retained his services for any activities?

Ms Petrachenko: No, we have not—in the whaling area. I cannot speak for the department.

Senator BIRMINGHAM: That is fine. And there are no plans to establish a new envoy or re-establish that position?

Ms Petrachenko: Not that I am aware of. That would be a question for ministers.

Senator BIRMINGHAM: Certainly. Lastly, to go back to the ICJ action, has the department ever sought advice as to whether it is possible to try to get something more quickly out of the ICJ, such as an interim injunction or the like?

Ms Petrachenko: Yes, but I think that question would have to be directed to the Attorney-General's Department. I am not one who could give a view on that. That is a legal opinion that would be given by Attorney-General's in part of the approach to the case.

Senator BIRMINGHAM: The advice has been sought, but I should get the response from them?

Ms Petrachenko: I think it is part of the general advice, and I am not more aware of the advice than that.

Senator BIRMINGHAM: Thanks, Ms Petrachenko.

CHAIR: Ms Petrachenko, on whaling while we are there, how many IWC meetings have you attended?

Ms Petrachenko: The first meeting I attended was in Anchorage, which would have been five years ago if my memory serves me correctly.

CHAIR: So you have attended IWC meetings under the previous government and this government.

Ms Petrachenko: That is correct.

CHAIR: Are delegations getting bigger or smaller, or are they staying the same?

Ms Petrachenko: I think they are approximately the same size, but I can check that on notice.

CHAIR: Thanks. Senator Birmingham described it as an extravaganza. What does happen at the IWC? Is it an extravaganza? When you think of an extravaganza, you think of people just going there to enjoy themselves. What happens?

Ms Petrachenko: I can answer that in some detail.

Senator BIRMINGHAM: Point of order. I was talking about the scale of it.

CHAIR: If I have misrepresented you, Senator Birmingham, I apologise. If 'extravaganza' means something else, I am okay on that.

Senator BIRMINGHAM: It is a long, long process of many different meetings.

Ms Petrachenko: That is right. I can clarify one of Senator Birmingham's questions before the dinner break, which was: what is our contribution to the IWC? As I said, I was not sure of the exact figure because it is in pounds sterling, but the exact figure this year is

A\$55,412. That is our contribution to the IWC. What happens at the annual meetings is, as I mentioned previously, that we have two weeks of scientific meetings, and those scientific meetings, which will take place in Norway, go through the status of various populations of whales around the world. It is done on a rotational basis. So the scientists present the information that they have on those various populations. There is also work that is done on small cetaceans—that is not the great whales; that would be everything from inshore dolphins to some endangered species like the vaquita, which is an endangered dolphin from Mexico. So that scientific information is presented. Also information from the results of numerous intersessional workshops that have been held, on things like climate change and the impact on cetacean populations, ship strikes and some scientific aspects of those, is put back to the scientific committee, and there are various subcommittees that work. Their reports are then developed and prepared to present to the full commission meeting.

What will happen for the two weeks then, which will be in Jersey, is that we will have meetings of a number of subcommittees. There is the Infractions Subcommittee. That subcommittee looks at anything which has gone against the rules of the IWC. For example, Korea always reports by-catch of whales in their waters as a result of interactions between fishing nets and whales; those are considered infractions because the whales are killed without the permission of the IWC.

There is also a committee on whale killing methods. This is where scientists and technical experts look at the aboriginal subsistence whaling hunts, in terms of what their methods are like and whether there can be improvements to reduce things like time to death. So they look at the impact of those killing operations on the whales to try to improve their methods and reduce, as much as possible, the negative impact on whales in terms of time to death and the like.

There is the Aboriginal Subsistence Whaling Subcommittee. That subcommittee looks at potential quotas based on given needs statements from indigenous populations in Russia, Alaska, potentially in St Vincent and the Grenadines, and Greenland. Those, again, are on a rotational basis. There are no quotas up for renewal this year. The big renewal for aboriginal subsistence quotas will be in the year 2012.

There is also the meeting of the Conservation Committee. That is the committee I referred to previously which is doing work on conservation management plans, whale watching and ship strikes, as well as a number of other very important initiatives that we will be considering.

We have meetings of the Finance and Administration Committee. As I indicated I am currently the chair, and one of the important items on our agenda this year is to deal with the financial rules and regulations of the commission to bring it into line with other international organisations in terms of how payments are made and tracked—those types of financial rules. Another item we will be looking at is a rule of procedure on the involvement of civil society, because it is the view of many parties to the convention and commissioners that we need to improve the role of civil society in the discussions of the International Whaling Commission, and so there is a proposal that the executive secretary is bringing forward on how we can accommodate an increased voice for civil society, which is very important from Australia's point of view.

So those are just some examples of the subcommittees. Then, when those committees are finished, they write the reports, and the final four days is the full commission meeting where all of those reports are given. The important item, the first item up this year, will be the election of a chair, because we had the resignation of the chair last year, Ambassador Maquieira from Chile, so we will have to elect a new chair and, potentially, a vice-chair this year.

CHAIR: I am just having a look at the IWC website. There are 89 nations. They include Lithuania, Gabon and The Gambia—are these former whaling nations? What is the status of these nations?

Ms Petrachenko: The International Convention for the Regulation of Whaling is open to any country that would like to join and to pay their annual contributions. The latest member to join, which brought the number up to 89, was Colombia, which is a very proconservation country and part of the Buenos Aires group. So any country can join which has an interest in whales, whether it be for the consumptive or non-consumptive use of whales.

CHAIR: Have there been any scientific breakthroughs on the Scientific Committee due to the Japanese research?

Ms Petrachenko: In the opinion of our scientists and from what I have seen, the answer would unequivocally be no. In fact, the breakthroughs have been from work from some of our scientists and other scientists around the world on non-lethal scientific techniques, showing that you do not need to kill whales in order to study them and that we are learning more and more about that at every Scientific Committee. We now have the ability to track whales. We have excellent techniques for doing that. We have good non-lethal techniques for helping to estimate population of whales—again to show that Japan's so-called scientific whaling is not required and does not meet any of the conservation and management objectives of the convention.

CHAIR: Thanks. Could you just advise us on Operation CETUS.

Ms Petrachenko: Yes, I can.

CHAIR: What is it?

Ms Petrachenko: This is newly announced by Minister Burke—I think yesterday. We have been working in conjunction with our state and territorial colleagues. As you know, this is coming up to whale-watching season around Australia, and this is where we are working with the state agencies responsible for enforcement and compliance, as well as for whale watching, to raise awareness as to what the rules and guidelines are for whale watching. It is a very important economic boost to many local economies, but we want to remind people that you need to be at safe distances when watching whales and about what the guidelines are for doing that. So this is a very cooperative relationship with our state and territorial colleagues where we will have an integrated approach to doing this, raising public awareness and working with the whale-watching industry so that we ensure that we do not cause any unplanned interference with whales and that we follow the guidelines throughout the season.

CHAIR: Thanks. There is a roundtable on whaling policy. Who is involved in that?

Ms Petrachenko: That is a roundtable that I chair. We have two of them, I should say. One is with the non-governmental organisations who have an interest in whales, from small organisations who are involved when you have stranded whales or those sorts of things to the

larger organisations such as Greenpeace. We meet about two or three times a year to look at international initiatives as well as domestic initiatives. We get their input into what they see on the ground and from a local community perspective, and they help us with our policy and operational approaches both domestically and internationally. As well, we have a roundtable that meets about once a year with the whale-watching industry, where we are again looking at guidelines and how they are coping with various changes around Australia. We work with our state and territory colleagues on that.

CHAIR: Are you in a position to update us on Australia's international action to stop whaling?

Ms Petrachenko: Yes, I am.

CHAIR: Could you take us to the latest developments.

Ms Petrachenko: The latest developments, as I mentioned earlier, were that we filed our memorial in the International Court of Justice. As you will recall, last year the government, after much consideration, decided that the only way left to try to stop Japanese so-called scientific whaling was to initiate an action last 31 May in the international court in The Hague. We believe that Japan is not living up to its international obligations by conducting this so-called scientific whaling both in the Southern Ocean Whale Sanctuary and in the North Pacific. So we have initiated that action, and it is starting its legal course as dictated by the timing of the court. In addition to that, we have over a number of years initiated a new program for non-lethal research. So, focusing on the Southern Ocean, the government has invested about \$32 million both in this research and in other activities to help improve the status of whale populations. Our objective is healthy whale populations and a complete end to all forms of commercial whaling. We believe, as I said, that Japanese so-called scientific whaling is really just another form of commercial whaling, and we need to see that ended. So we initiated the Southern Ocean Research Partnership.

We also contributed some of that funding to the International Whaling Commission to fund work on conservation management plans to recover whale populations globally in various populations that are very much below their pre-commercial-harvest levels. We also contributed funding to study small cetaceans. These are some of the cetacean populations which are most threatened around the world—the smaller dolphins, which I also mentioned previously. Further, we are doing work on whale watching, both domestically and internationally. Part of our overall approach is to show that the International Whaling Commission has a lot of work to do. Our objective is to recover whale populations. With populations such as blue whales still at a level which is potentially only two per cent of what they were before countries started commercial whaling, there is a lot more work that needs to be done. By working in partnership with other conservation-minded countries, Australia is really showing leadership and our investment is starting to pay dividends both scientifically and in partnership with other countries.

CHAIR: The Southern Ocean Whale Research Partnership is based in Tasmania, is it?

Ms Petrachenko: That is right. It is run out of the AMMC, the Australian Marine Mammal Centre, which is based in the Antarctic Division in Hobart. That is where we have leading scientists working in Hobart but in conjunction with scientists around the world from countries like Chile, France, the UK, Norway and South Africa. All of these countries are

working together in various parts of Antarctica and areas in the Southern Ocean. It is a shared responsibility, and all countries are starting to contribute financially and in kind for this multi-year non-lethal research program.

CHAIR: I have no more questions on whaling. I am not sure if the coalition has.

Senator SIEWERT: I have general marine questions.

Senator BOSWELL: I have a question on World Wildlife Fund costing. Where would that go?

CHAIR: Is that whales?

Senator BOSWELL: It is not about whales.

CHAIR: I am just trying to see if there are any more on whales. If there are no more on whales, we can then go to general marine.

Senator SIEWERT: Thank you. Could I ask about the south-west process. I understand there has been a fishing gear assessment process undertaken as part of that process.

Mr Oxley: Yes, that is correct.

Senator SIEWERT: Is that being made publicly available?

Mr Oxley: It is not yet a public document; it is a draft in relation to which we are continuing to consult the fishing industry.

Senator SIEWERT: What is the time line for that, then?

Mr Oxley: I have not got a time line for the public release of that at this stage.

Senator SIEWERT: Is it likely to be within the time of the public consultation period? If you are consulting with industry over it, shouldn't it be available for all the stakeholders to have a look at?

Mr Oxley: This is where we are up to with the fishing gear risk assessment. To give a bit more context, the fishing gear risk assessment looks at the potential effects on conservation values. It was done on the basis of the areas for further assessment in a multiple-use marine reserve context: if this were a multiple-use marine reserve, which types of fishing gear would have a potential impact on the conservation values of those reserves? The zoning that has been proposed in the south-west marine reserve network is reflective of the outcomes of that fishing gear risk assessment work. It indicates that, through the application of that risk assessment, three types of gear—demersal longline, demersal trawl and demersal gillnet—would all be excluded from the marine reserve network. The risk assessment also came to the conclusion that pelagic longline was of potential concern; I think that the term that we have used is 'unacceptable pending further assessment', but given the low level of activity currently going on using that fishing gear method we have made the call that it would be allowed to be used for fishing in the multiple-use areas. The fishing gear risk assessment is something where the fishing industry is not enamoured of the draft. There have been some discussions with the department about the methodology that we have used. It has been through a series of reviews. The intention is that in the next month or so, but during the public consultation period, we will hold a workshop with the fishing industry that looks at the risk assessment work overall, because we have also done risk assessments for the north-west, north and east regions.

Senator SIEWERT: Who did the report? If you said that, I missed it. I beg your pardon.

Mr Oxley: The reports have been done by various parties. The south-west risk assessment was done internally by the department and peer reviewed by the CSIRO. The other three risk assessments were done by externally contracted experts. The north and north-west were done by the same consultant, but I will have to take on notice the name of the consultant or consultancy that did the work. The east risk assessment was done by a different consultant. All of the risk assessments have been reviewed by the CSIRO.

Senator SIEWERT: What is the timing of the workshop with industry? Why are you not having a workshop with other stakeholders?

Mr Oxley: The timing of the workshop with industry is yet to be resolved because we have to fit it into the schedule of consultations that we are doing right through the region at the moment. I have staff out in Western Australia and South Australia doing open days and stakeholder meetings at the moment. In relation to the engagement of other parties in the risk assessment work, the exact composition of the workshop is yet to be resolved.

Senator SIEWERT: You said industry earlier. But other stakeholders will be invited?

Mr Oxley: I am not able to indicate today whether other stakeholders will be invited to that risk assessment workshop or not. Our primary focus has been with the fishing industry, which actually fish with the gear, and experts who have understanding of how those types of gear interact with the conservation values. Whether the workshop would be open to a wider audience is not something we have yet resolved.

Senator SIEWERT: So without maligning industry you could also put that, yes, they are experts. But they have also got a vested interest in the outcome?

Mr Oxley: They do. We have also taken each of the reviews to independent peer review by the CSIRO. So I am very confident that we have a high level of authority over the efficacy of the risk assessment work that we have done.

Senator SIEWERT: But you have already said that industry is not happy.

Mr Oxley: Yes.

Senator SIEWERT: You have had it peer reviewed. Then you are having a workshop with industry without other stakeholders. You can understand why the community and I are cynical about having a workshop only with industry. It has already been peer reviewed; I understand that.

Mr Oxley: Yes.

Senator SIEWERT: Are you saying that there will not be any changes when you hold these workshops?

Mr Oxley: No. I am not saying that at all, Senator.

Senator SIEWERT: So that is why I am asking: why are other stakeholders not involved as well?

Mr Oxley: I have indicated that the intention at this stage is that the focus would be with the fishing industry but that we have an open mind about the potential involvement of other stakeholders in that. I think the real question is whether there is in the end value in continuing

to go over the risk assessment work or whether the conversation actually needs to move on to its application in each of the proposed reserves.

Senator SIEWERT: And that is why I asked originally: when is it being released? And you cannot tell me.

Mr Oxley: And I will take that one on notice, Senator.

Senator SIEWERT: Obviously, we are interested in seeing it released before the end of the consultation period.

Mr Oxley: Of course.

Senator SIEWERT: Thank you. I want to ask about the consultation process and how the department is undertaking that and how it is receiving submissions and in what form.

Mr Oxley: Yes. Certainly. I might also preface my response with the observation that on 13 May I presented about an hour's worth of evidence through questions to this committee's inquiry into the Environment Protection and Biodiversity Conservation Amendment (Bioregional Plans) Bill 2011. A lot of the substance that may come up today has been dealt with in detail there.

Senator SIEWERT: And I was there, as you know.

Mr Oxley: Yes.

Senator SIEWERT: And I did not ask this question.

Mr Oxley: No.

Senator SIEWERT: So I am being very careful.

Mr Oxley: So I am very happy to now answer your question. I just wanted to, given that there is a substantial—

Senator SIEWERT: I do understand that.

Mr Oxley: bit of evidence there.

Senator SIEWERT: I do not plan to waste time, because I know other senators have other questions and I also have other questions on non-marine related topics.

Mr Oxley: So the public consultation process in its first phase, which is approximately the first four to five weeks, is that we are doing one primary thing after the initial release and launch and briefing, which occurred on 5 May in Perth and then there was a follow-up briefing for all stakeholders on 9 May in Adelaide. The department is now having a program of open days, where we are visiting all the major coastal communities. It is preadvertised in the local media—local newspapers and letting radio stations know that we are there. And for a period of about 3½ hours in an afternoon, usually from 4.00 to 7.30 pm, the department is running open days, where anybody with an interest in marine bioregional plans and the proposed marine reserves is able to come along and talk to the department about the proposals to find out about how to make submissions into the process and to ask questions about what is being proposed, what its implications are and so on. We have conducted those open days in Geraldton, Jurien, Port Lincoln and Ceduna and in Streaky Bay today. So there have been five of those open days so far. We have open days coming up later this week in Kangaroo Island and Bunbury and then next week at Margaret River and Albany and then Esperance at the beginning of the week after.

Senator SIEWERT: Do not go there and pronounce Albany that way. That is a little handy tip.

Mr Oxley: In conjunction with the open days, we are also taking the opportunity to meet with a range of stakeholder groups—those who are known to us and have been involved in the marine planning process until now. We are also dropping in and providing briefing to the local government authorities in local areas and generally being accessible to NRM groups and anybody who would like to have a more focused meeting with the department to talk through what is proposed. As part of that, we are having—and it is being facilitated by the commercial fishing industry, the Western Australian Fishing Industry Council and Wildcatch Fisheries South Australia with support from the Commonwealth Fisheries Association—quite comprehensive meetings with fishing industry representatives and the fishers themselves in each of these places to get a first engagement around the implications for them of what has been proposed to begin to understand the impacts on them. That will then feed into identifying where we need to focus in doing the socioeconomic impact assessment work, which is being undertaken by the Australian Bureau of Agricultural and Resource Economics and Sciences for the department.

Senator SIEWERT: Thank you.

CHAIR: Senator Siewert, this is your last question.

Senator SIEWERT: I want to know how you are receiving submissions. As you know, there are a lot of people wanting to send you emails. There is a variety of ways that people will be inputting, and do.

Mr Oxley: There are essentially three ways that we are receiving submissions. Our preferred method is that we have an online submissions tool, which is available. Of the 170 submissions that the department has received to date on the south-west proposals, five have been lodged in the online tool. We have received 165 emailed submissions—so attachments to emails. The majority of them have been based around some campaign material put together by the Save Our Marine Life group. So it is online submissions, email or by post. We will take any of those forms. We have a submissions template available on the department's website.

Senator SIEWERT: You have a template?

Mr Oxley: We do.

Senator SIEWERT: But you do not have to use the template, though, do you?

Mr Oxley: No. But we prefer that people do use it. It will make it easier for us to do the assessment of the submissions and the substance of them.

Senator SIEWERT: I understand that. You will accept any submissions by post as well?

Mr Oxley: Of course, yes. And the closing date for submissions is 8 August.

Senator IAN MACDONALD: Can you just tell me about the north bioregional plan? Where is that at?

Mr Oxley: The north marine bioregional plan is in the process of being written by the department at the moment. The department is also undertaking a range of consultations with a number of stakeholders across both the north and the north-west regions in relation to marine reserve proposals.

Senator IAN MACDONALD: We are running out of time; we only have 20 minutes for the rest of this. I have asked this before. I have indicated that there continue to be complaints in the gulf region that there is not sufficient consultation happening. I suspect you would deny that. Could you perhaps on notice just indicate to me what the consultation process has been and what it continues to be? Has it finished or is it still going on?

Mr Oxley: It is ongoing, Senator. I am happy to provide on notice some update for the benefit of the committee as to the consultation process, particularly in relation to the north. I have had staff on the ground in northern Australia over the past three weeks talking to a range of sectoral interests about initial thinking around marine reserve proposals. That included a meeting in Cairns at the beginning of last week, which was arranged with the gulf fishermen, who by choice came across to Cairns for that consultation. We asked them where they would like it. They said, 'We'll come over to Cairns.' So that dialogue is going on, notwithstanding your concerns that it is not sufficient.

Senator IAN MACDONALD: This was happening in the last three weeks. I was up there a couple of weeks ago. There was still concern, and not just from the fishermen. So if you could just indicate to me—

Mr Oxley: Yes, of course.

Senator IAN MACDONALD: what the process is. If you have had people there, you might indicate to me where they have been and who they have spoken to. It does not need to be a long exercise, but you can just give me a general proposition. What is planned for the future? Is that the end of it? What is the process?

Mr Oxley: I do not know if you were here for my last answer.

Senator IAN MACDONALD: No.

Mr Oxley: But the process we will use once we get into the formal consultation process—so when a draft plan has been released for public consultation—is that we will be visiting the major regional centres on the ground talking to people about the government's proposals.

Senator IAN MACDONALD: Thanks.

Senator BOSWELL: At last estimates I asked AusAID a question. I will read the question out now. They have asked me to refer the question to you. The World Wildlife Fund Australian annual report details that AusAID gave grants of \$418,648 in 2009 and \$150,000 in 2010. An amount under 'other Australians' was listed as \$1,048,639. Other grants came to \$4,358,858 in 2009 for each of the above amounts of funding. The answer goes on and gives an answer to the first part of the question. Then it says:

The \$1,048,639 and \$4,358,858 figures are listed under 'Grants: Government (other)' for 2010 and 2009 respectively in WWF's 2010 Annual Report. The majority of funding has been provided through programs administered by the Department of Sustainability, Environment, Water, Population and Communities. Further information on these funding sources should be sought from that department.

So I am asking you now: I refer to funds provided to the World Wildlife Fund listed in their annual report for 2010 as 'other Australian' for the amount of \$1,048,639 and particularly those questions which identify that the majority of funds were provided under programs administered by your department. Can you please provide a detailed account of the amount of funding grants provided to the World Wildlife Fund for the amount listed of \$1,048,639?

CHAIR: Senator Boswell, I am not surprised that question was duck shoved here. It is a serious question but it is a long and complex question. I must say there were some furrowed brows on the other side. Mr Oxley, are you across the detail of this question?

Mr Oxley: I understand Senator Boswell's question but I am not in a position to be able to provide now an answer to Senator Boswell in the sense that I am thinking it may be project work that is associated with the Coral Triangle initiative. But I am not confident that that is the case and I am not across whether the department has other grants which it has provided to WWF for other purposes. So I would prefer to take it on notice on that basis.

Senator BOSWELL: What is the Coral Triangle?

Mr Oxley: The Coral Triangle is probably one of the great biodiversity hot spots of our planet. The Coral Triangle essentially comprises Malaysia, the Philippines, Indonesia, Timor-Leste, the Solomon Islands and Papua New Guinea. The Coral Triangle is roughly that whole area which is encompassing of those countries and the coral reef ecosystems that sit within them. Several years ago, through APEC, President Yudhoyono of Indonesia invited countries such as Australia to join the six Coral Triangle initiative countries in an endeavour to improve the way the coral ecosystems of the Coral Triangle were managed from a sustainable development, food security and livelihoods as well as marine conservation perspective. The Australian government has been a significant investor, primarily through AusAID but also through departmental funding from this department, in a range of country based projects to assist those countries to better manage their marine resources.

Senator BOSWELL: That figure that you are referring to is the \$1,048,639. There is also another figure there for \$4,358,858 listed as 'Grants: Government (other)'. Can you also tell me what that is for, or are they both for that?

Mr Oxley: Senator, I do not have the benefit of having in front of me the information that you have. You are conveying to me information that has come from AusAID and they have said, 'PS, ask SEWPaC about those programs.' I am saying to you tonight I do not have the information in front of me to understand the substance of the question that you are asking. Therefore, we need to take it on notice.

Senator BOSWELL: Okay. I will just put what I want answered on notice. Can you please provide a detailed account of the amount of funding grants provided to the World Wildlife Fund for the amount listed as \$1,048,639? Was this a single grant amount provided to the World Wildlife Fund? If not, under what programs and for what purpose were these funds provided? When was each grant or funding allocation provided? Can I also have details of all acquittals provided by the World Wildlife Fund associated with these grants. I will also ask you to include the amount of \$4,358,858. The other point I want to raise—

Mr Oxley: I will answer that to the best of our ability, of course, Senator.

Senator BOSWELL: There is another point I want to raise. When I asked this to AusAID, I waited six months. I got the answers today or yesterday. I would appreciate an early response to this, not waiting six or eight weeks, if that is possible.

CHAIR: I have a couple of questions going back to the marine reserves. Mr Oxley, has climate change been identified as a threat to Australia's marine environment or the areas where marine reserves are proposed?

Mr Oxley: Senator, with the Draft South-west Marine Bioregional Plan, one of the key things that we have done with the marine bioregional planning process is to undertake what we call a pressure assessment. So we have looked at all the threats or pressures to conservation values in the south-west marine region. We have identified a range of threats. A number of those threats relate to climate change. Specifically that is sea level rise, changes in sea temperature, a change in oceanography and ocean acidification. All of those things individually but also collectively have the potential to quite fundamentally change the nature of our marine environment. The threat assessment itself is published in the Draft South-west Marine Bioregional Plan. The pressure assessment is based on a rating system, where we rate a pressure of being of concern, of potential concern, of less concern or not of concern.

In relation to the four climate change related pressures, sea level rise is of concern to 10 of the 52 identified conservation values and of potential concern to another 13. So 23 out of 52 are either of concern or of potential concern. Changes in sea temperature are of concern to 22 of the 52 conservation values and 24 are of potential concern. Changes in oceanography—so changes in the function of the ocean and the movement of currents and so on—is of concern to 21 conservation values and of potential concern to 31. Ocean acidification is of potential concern to all 52 conservation values.

I will give a couple of examples, if that would be helpful to the committee. I will look at Australian sea lions, an important conservation value of the South-west Marine Region. With changes in sea temperature, what we have in the pressure assessment is that sea surface temperatures around Australia are expected to increase by one to two degrees Celsius by 2030 and two to three degrees Celsius by 2070. So this is all scientifically referenced information. There is a demonstrated link between higher sea surface temperatures and lower rates of pup survival for Australian sea lions; that is from a study in 2004. That is particularly significant because sea lions are listed as vulnerable under the EPBC Act. So there is a pointer there to climate change having a potentially significant impact on Australian sea lions.

As another example, while the change in sea level rise is not of concern to the Commonwealth marine area in a direct way, the reality is that a place like the Houtman Abrolhos islands is an absolutely significant place globally for sea birds. A lot of those sea birds roost on the Houtman Abrolhos islands but they forage in and spend a lot of their life in the Commonwealth waters surrounding those islands. The EPBC Act lists the little shearwater, wedge-tailed shearwater, bridled tern, caspian tern, roseate tern, sooty tern, Australian lesser noddy, common noddy and little penguin. All of those species are potentially significantly affected by sea level rise. So a rise in the sea level around the Houtman Abrolhos islands potentially affecting the distribution and abundance of the mangrove stands on those islands would have an effect on the roosting in those mangroves of some of those species.

Similarly, ocean acidification is a potentially significant threat all the way across the spectrum of marine biodiversity. We are talking about changes in pH levels that are measured as 0.1 on the pH scale. The prediction is somewhere around a movement of 0.2 units in pH. The pH of the open ocean waters has decreased from 8.2 to 8.1 already, which is basically, as I understand it in layman's terms, a doubling of the acidity. Anyone who keeps tropical fish knows that a movement of just a couple of points on the pH scale has significant impacts in your tropical fish tank. So that gives you an indication. But acidification affects the ability of

marine animals to form shells. It affects krill, rock lobsters and anything that requires calcium to build its shells. So it has the potential to quite fundamentally affect marine ecosystems and food webs.

CHAIR: Thanks for that detailed response, Mr Oxley. We have had similar analyses today in relation to the Climate Commission. Have you seen the Climate Commission document?

Mr Oxley: I have not had the opportunity yet to read it, I am afraid, Senator.

CHAIR: And also similar analyses from CSIRO in their climate change document.

Senator BOSWELL: Don't forget the global warming.

CHAIR: Senator Boswell just reminded me that we also have similar conclusions from the Pontifical Academy of Sciences.

Senator BIRMINGHAM: Don't laugh.

CHAIR: I would never laugh, Senator Birmingham. I would not laugh at the Pontifical Academy of Sciences. I would not do that. The proposition has been put that if you raise these issues, you are a climate alarmist. Have you ever been branded a climate alarmist because you raise these issues?

Mr Oxley: It has not occurred yet, Senator.

CHAIR: Are your conclusions based on scientific analysis?

Mr Oxley: The pressure assessment that the department has undertaken has essentially been a synthesis of a wide range of existing scientific analyses of the known and modelled impacts of climate change on the marine environment. So I am very confident that we have in our marine bioregional plan for the south-west a very comprehensive synthesis of the effects, actual and potential, of climate change on the conservation values of the south-west region of Australia.

Senator BIRMINGHAM: I want to follow up on the regional marine planning program. There is additional funding outlined of \$9.7 million that has already been announced. Some of that is for the initial implementation of the plans. When you talk about implementation, what does that funding actually go towards?

Mr Oxley: The predominant amount of the funding in the coming financial year will go to the completion of the marine bioregional plans themselves, so the extensive public consultation processes in which we are engaged. Obviously the employment of the staff of my division who are engaged in the Marine Bioregional Planning Program represents a significant proportion of the cost of the resources.

Senator BIRMINGHAM: Sure. That is all the completion of the planning process. What about the initial implementation?

Mr Oxley: Sorry, but also lastly on current estimates, approximately \$1.4 million of that amount will be the cost of undertaking the socioeconomic impact assessment work associated with the marine reserve proposals for each of the four regions. In terms of implementation, the primary component of implementation will be, firstly, getting ready for the formal statutory consultation process that will surround the proclamation of the marine reserves themselves. So there is some work involved in preparing regulatory impact statements, for example, that will need to be published with the proclamation of each of the marine reserve

network proposals. We would expect that several of the marine bioregional plans will be completed documents before the end of the next financial year. As such, the department will be then actively using those as a basis for providing advice to the minister to support decision-making under the EPBC Act, which is the primary purpose of those plans coming into existence. So it would be a transitioning of some of my staff who are in the plan development stage into the ongoing use of those plans for providing advice on matters referred for assessment under the EPBC Act.

Senator BIRMINGHAM: I am about to get cut off. Is there any funding beyond 2011-12?

Mr Oxley: My understanding, Senator, is that, firstly, we have a lapsing program. I understand that there would be an equivalent sum in the provisional forward estimates.

Senator BIRMINGHAM: In the provisional forward estimates?

Mr Oxley: That would be my understanding. So you will note in the budget papers—just let me find it; it was footnote No. 2 on page 24 of the portfolio budget statement—that \$9.7 million was previously provided for in the 2011-12 estimates for this measure. I understand, but I will correct it if I am wrong, that a similar amount appears in the forward estimates.

Senator BIRMINGHAM: If you could provide details of that forward funding and where that exists and where we might be able to find it in the budget papers, that would be most helpful, Mr Oxley. There are no plans or expectations of the government to provide any compensation or otherwise if there are fishers who are dislocated in some way out of this process?

Mr Oxley: It is not correct at all to suggest there are no plans—I missed the second descriptor—to provide structural adjustment assistance. The minister released on 3 May a fisheries adjustment policy that sets out the policy basis for providing financial support or structural adjustment assistance in circumstances where commercial fishers are impacted by the creation of new marine reserves or the rezoning of existing marine reserves. That policy sets out the process that the government will go through in terms of undertaking a socioeconomic impact assessment. They are the sorts of things that will be looked at as part of that process. Once we have done the socioeconomic impact assessment, it is at that point that the government will make a decision about the extent to which it provides structural adjustment assistance.

Senator BIRMINGHAM: Can you on notice just let us know what, where and if any funds are provided or contingencies are identified to provide for that compensation process.

CHAIR: Thanks, Senator Birmingham. Senator Siewert, you have one quick question?

Senator SIEWERT: Can I have one quick one, Chair? I know that you will be indulgent.

CHAIR: I cannot be too indulgent.

Senator SIEWERT: Have you had a look at white nose bat disease? I know it is impacting in America. Have you had a look at that and the potential threat for Australia?

Mr Oxley: That has come across our radar in recent times, Senator. It is a disease which has been largely wiping out colonies of cave-dwelling bats in the United States and, I understand, in Canada. We are aware of the disease. We know that generally most of Australia's bat species are not cave dwelling, although there are a small number of Australian

bats which are cave-dwelling animals. Therefore, it is potentially of concern should white nose syndrome find its way into Australia. The southern bent-wing bat is one that lives in caves as well as the common bent-wing bat and a thing called the southern myotis. Of those, the southern bent-wing bat is the one that would be of most particular concern as it is listed as critically endangered under the EPBC Act. It occurs only in caves in south-eastern South Australia and south-western Victoria. So my understanding is that there is a high level of concern and awareness among the bat-watching community about this risk. I understand that in estimates questions earlier today AQIS were also conscious of and aware of this issue.

Senator SIEWERT: Thank you.

CHAIR: Senator Boswell, have you got a question on notice, because I am finishing this up now? If you have a question on notice, I am happy for you to put it on notice.

Senator BOSWELL: Well, I do not need you to give me permission to put it on notice. I can do that.

CHAIR: Well, we will move to outcome 2, then. Thanks, Mr Oxley.

[20:05]

CHAIR: We now turn to outcome 2. I call the officers of the department in relation to program 2.1, Management of hazardous wastes, substances and pollutants. I invite questions on outcome 2, program 2.1.

Senator BIRMINGHAM: It is fortuitous that Senator Farrell is back in the minister's chair for now. There is an issue that has come to my attention since he was there this morning. It requires a quick yes/no answer, so I hope you can oblige. Is it the case that Leo McLeay has been appointed to the board of the Sydney Harbour Federation Trust?

Senator Farrell: Yes, it is.

Senator BIRMINGHAM: Thank you, Senator Farrell. Senator Fisher, I think you had questions on the portfolio space.

Senator FISHER: I want to ask some questions about the product stewardship process. To what extent are we able to ask questions about bills that are yet to be considered in this case by the Senate? You will say no if you do not want me to; how about that? In terms of regulations to be made under what the government proposes to be product stewardship legislation, what consultation does the department propose to undertake with stakeholders in respect of future regulations? By negotiation, I mean what sort of process do you intend to go through? How do you intend to ascertain with whom you would consult?

Dr Wright: In regard to the future regulation of the Television and Computer Product Stewardship Scheme, consultation has already occurred with a public consultation process through the release of a consultation paper, which was, from recollection, in April. We received, I think, 46 submissions on that paper. If you just hold on one minute, I can give you the details.

Senator FISHER: I am more asking about the future, Dr Wright.

Dr Wright: I will just conclude. Between 8 March and 8 April, there was a consultation paper, 62 submissions, 11 public meetings, 310 attendees and 32 bilateral meetings. We also have a stakeholder reference group, which has some 29 members on it. We have an implementation working group with representatives from jurisdictions and from the TV and

computer industry. In regard to the prospective consultation process, following hopefully the passage of the legislation, we are going to go out with draft regulations probably for a period of about a month. We will engage with stakeholders in a similar process through public meetings but also bilaterals. There will be consultations with state agencies and also across the Commonwealth. So there will be a detailed and adequate consultation process for the regulations. Clearly, we cannot commence that until there is clarity on the nature of the legislation. So that process cannot commence until the passage of the bill.

Senator FISHER: What will be, if any, the ongoing role for the product stewardship stakeholder reference group?

Dr Wright: I will clarify. We have two reference groups. One was established for the legislation itself and one is for the TV and computer scheme. That is the one that has the 29 representatives. That group will continue until after the regulations. We may well continue to engage them during the implementation on the ground.

Senator FISHER: What, if any, will be the ongoing role for the Product Stewardship Legislation Stakeholder Reference Group?

Dr Wright: The terms of reference for that group were for it to exist and be engaged during the development and consideration of the legislation by parliament. We have not specified an ongoing role for that group, but clearly the players will continue to be engaged.

Senator FISHER: In what way will the players continue to be engaged? To some extent, it is difficult because we do not have a bill that has become an act. I understand there have been some amendments publicised from Senator Birmingham and Senator Farrell, I think Senator Xenophon and maybe even Senator Ludlam. If all of those amendments were to pass, perhaps we could have a discussion on that basis. What I am trying to get—

CHAIR: That is theoretical.

Senator FISHER: Yes. We may well have a scenario, Senator Cameron. On this particular bill, where we are happy to have a discussion on that basis, I am wondering whether there will be a continuing stakeholder reference group once the bill is passed in whatever form or whether any sort of role that might have been done by that stakeholder reference group would be subsumed by a panel of experts by another name. But there is a proposition in one of the amendments for a group of experts to be constituted to advise the ministerial advisory group. So it is in that context that I am asking whether there is contemplated to be any ongoing life for a stakeholder reference group.

Dr Wright: The nature of the proposed amendments is that there be an advisory committee, which would be, I understand, both representative and expert. That would not necessarily be the same set of interests as is on the current Product Stewardship Bill stakeholder reference group. However, in addition—as I think the department responded to the questions on notice for the Senate legislation committee—the current EPHC, or Environment Protection and Heritage Council, processes and structures are such that, when you consider products for product stewardship when they are assessed for a regulation impact statement, then specific stakeholder reference groups that have knowledge of that business and that sector and community groups and NGOs are specifically established to look at that product or material. So stakeholders are engaged at a range of different levels at different times and to make sure that it is targeted and fit for purpose.

Senator FISHER: So I think in essence you are saying that this ministerial advisory group would be the ongoing reference group rather than some sort of continuation of the existing legislation stakeholder reference group. Is that fair?

CHAIR: Senator Fisher, I want to be a bit careful here. There is Clerk's advice about committees and committees that are not finalised. Minister Farrell is here. I understand there are still discussions going on. I am not sure that it is helpful for anyone to be conducting negotiations on a bill at estimates, to be honest. So I just raise that as an issue. I am sure you are aware of this as well. I just alert you to the fact that it may not be helpful.

Senator FISHER: That is my last question on that issue. Do you want to offer an answer?

Dr Wright: I do not think I can really comment any further. As to the level of detail that is included in the proposed amendment on exactly how that group would work, it would be up to the minister of the day to form a view.

Senator FISHER: Yes. That is right. In terms of the Product Stewardship Bill either in its current terms or if all the amendments were to be passed, could it govern the content of cigarette packets if it could be argued that the content somehow had an impact on the health and safety of human beings? Part of the object of the Product Stewardship Bill is to reduce the impact that a product or substance would have on the health and safety of human beings. Could a cigarette packet become subject to the Product Stewardship Act so that it was then subject to a mandated or what the stewardship regime calls cooperative or voluntary regime that regulates the content of the packets?

CHAIR: Dr Wright, this is straying into the hypothetical. That is not the intent of the bill, as I understand it. I sat through a hearing on the bill. These questions were not raised even during the hearing.

Senator FISHER: Is it the intent of the bill to cover packaging? Is it the intent of the Product Stewardship Bill to be able to cover packaging? I understood that it is.

Dr Wright: The Product Stewardship Bill itself specifies objects and criteria. The bill does not specifically reference any particular products or materials. All of those are subject to separate assessment, particularly where regulation is concerned—a regulation impact statement.

Senator FISHER: So is it contemplated that packaging of any sort could be subject to the bill?

Dr Wright: There is currently a process which started in 2008 under the Environment Protection and Heritage Council to look into increased resource recovery from packaging and to reduce the impacts of packaging. In July 2010, environment ministers agreed that a regulation impact statement on the impacts of packaging and litter would be undertaken. That analysis has commenced. So packaging is subject to a formal and rigorous analytical process at a cross-jurisdictional level.

CHAIR: On this very point, the bill nowhere provides for any government involvement in the design of packaging, the trademarks of any company. The bill is so far away from that. It is about waste and it is about ensuring that we clean up our waste, basically, in crude terms. Is that correct?

Dr Wright: It is about reducing the environmental impact and increasing resource recovery.

Senator FISHER: Did the Law Society make a submission to the inquiry into the bill that suggested that there was at the very least some interfacing with trademark issues?

Dr Wright: That is because the accreditation component of the legislation provides for a Commonwealth logo to be used by those entities that get accreditation.

Senator FISHER: My point is that it does not have to be expressed in a bit of legislation for there to be consequences, be they of trademark nature or, indeed, in this case having a bill that covers packaging.

CHAIR: Senator Fisher, I am not sure why you are here defending the tobacco companies. If you are, you should be upfront about it and say you want to protect the tobacco companies and their donations.

Senator BIRMINGHAM: We need to keep order in the meeting, not debate.

CHAIR: I am just trying to get clarity as to where Senator Fisher is going. If she wants to protect the tobacco companies, let that be clear.

Senator FISHER: I am seeking clarity about the government's intent with the bill, Chair.

Dr Wright: The bill does not specifically cover packaging. The bill is framework legislation.

Senator FISHER: Yes. That is right. But it is able to cover packaging, from what you have just said.

Dr Wright: The bill could cover packaging in a regulatory fashion subject to it clearing a regulation impact assessment, as with any other product.

Senator FISHER: Indeed. Thank you, Dr Wright. Chair, if there is time, I will ask some questions about tyres, but I have taken some time.

CHAIR: Senator Heffernan was seeking the call. Senator Heffernan, you have the call.

Senator HEFFERNAN: Thank you very much for your indulgence, Mr Chairman. I have an issue with fuel standards. I have a constituent in Adaminaby in the Snowy Mountains area who informs me that she and her neighbours have a problem because, with the fuel that is available—diesel fuel, that is; for those who do not know, they alter the formula from summer to winter—the winter formula is only good for down to minus four. In recent weeks they have had a serious problem starting diesel vehicles because the local Shell region service station owner confirmed that the only fuel available to him from the Shell distributor was good to minus four. He said there was a product available which could hold the fuel to minus nine. In an effort to overcome this inconvenience, the people in the region have been doing things like boiling the jug to unfreeze the fuel in the morning so they can start the diesel vehicle. They have been putting rugs over the engines overnight and they are feeling very desperate. I wondered what we could do to assist them in terms of getting fuel that perhaps could be good down to minus nine.

Dr Wright: The department is responsible for the Fuel Quality Standards Act, which is about ensuring that the environmental impact of fuel on human health and the environment is reduced. So that goes to particulate matter and to the specific content of certain types of materials. It is not, unfortunately, an operability standard, so I am not sure that I can provide

any further advice in this session. But I could seek to find out which portfolio might be able to assist you.

Senator HEFFERNAN: The difficulty—and I can understand the commercial considerations behind this—is, without naming people, that the local distributor said you could in fact hold fuel that works to minus nine. He said he used to add it to big tanks, but because there are only three service stations in the region they are not prepared to supply this fuel. This means that the people in the Adaminaby-Cooma area are seriously inconvenienced in winter weather. The chairman seems to have disappeared. I have to declare an interest. I am a farmer and I am very conscious of the alteration in the formula from winter to summer. I will be looking for some advice about how we can assist the people in the Snowy Mountains region with their diesel fuel vehicles. Madam Acting Chair, it appears that the older vehicles like me—I am an old vehicle—work more readily. They can start more readily. The modern diesel vehicles simply do not work. So what will we do about it?

Mr Thompson: Senator, as Dr Wright said, it is not an area that the portfolio is responsible for under the Fuel Quality Standards Act. But we could undertake to find out where the relevant area is in the Commonwealth.

Senator HEFFERNAN: Well, I would be grateful if you could take the proposition.

Mr Thompson: That would be helpful.

Senator HEFFERNAN: I could give you the note. If you could come back to me on notice, I would be most grateful.

Mr Thompson: That is fine.

Senator HEFFERNAN: I am sure the people in the Adaminaby community would. I have a lot of detail in here which may burden you, which is about getting to football on Saturday mornings and the dramas they are having et cetera. So I would be most grateful. Thank you very much. Thank you, Madam Acting Chair.

ACTING CHAIR (Senator McEwen): Thanks, Senator Heffernan. Are there any further questions in program 2.1? Before we move on to the next program, I will ask the department to give us a brief outline of the history of the Product Stewardship Bill. I am not talking about the content of the bill but the processes that we have been through to get here.

Mr Thompson: Do you want ancient history or modern history?

Senator McEWEN: I can remember quite a bit about it.

Dr Wright: I can give you a summary. The agreement to develop a national product stewardship framework underpinned by legislation came out of the National Waste Policy, which was agreed by environment ministers in November 2009 and subsequently endorsed by COAG. That was the first national policy statement on waste in that space since 1992, with the national agreement on ecologically sustainable development. So the National Waste Policy built on and updated that COAG agreement. The development of the National Waste Policy was undertaken over a 12-month period. There was significant public consultation. A consultation paper was issued in April 2009. There was a consultation process between April and May of that year, which elicited some 143 submissions. There were 11 public meetings. Three hundred and sixty-four people attended and there were over 15 bilateral meetings.

That was followed by a draft of the National Waste Policy framework, which was released for public consultation in July 2009. There were some 69 submissions on that. Concurrently with those processes, there was a regulation impact statement process, which was a consultation on regulation impact between July and August 2009, for which there were 130 submissions and four public meetings. There was also a regulation impact assessment of the National Waste Policy itself. Then, following agreement to the National Waste Policy on the product stewardship legislation, there was a consultation paper released last November with a four-week consultation process, for which there were 46 submissions, five public meetings, 140 attendees and 14 bilateral meetings. Subsequently, there was the release of a consultation paper on the proposed regulation of the television and computer scheme, which was in March and April this year, for which there were 62 submissions, 11 public meetings, 310 attendees and 32 bilateral meetings.

In addition, the topic of product stewardship has been on the agenda of the Environment Protection and Heritage Council since its inception in 2002. That council has looked over time at a broad range of materials and products to see whether regulation or voluntary schemes would be appropriate for dealing with recycling and waste for those products. They include tyres, televisions and computers, plastic bags, mercury-containing lamps and so forth. So, in relation to product stewardship, it has quite a long history. At a jurisdictional level that goes back even further. The drumMUSTER scheme to collect chemical containers was introduced in 1998. We have the Product Stewardship for Oil scheme, which is a mandatory scheme subject to Commonwealth legislation, which was introduced in 2000. There is also a form of product stewardship which is applied to ozone-depleting substances under the ozone management act. That has been in place for over 10 years as well. So there is quite a lot of depth and breadth and history to product stewardship to date.

Senator McEWEN: Thank you. I know, Dr Wright, that you have been involved in it for a long period of time. Certainly from my point of view, congratulations on getting it to the level of a bill. But during that whole process—all those inquiries, consultations and impact statements, COAG meetings, as I said, bills before the parliament and incredible processes—has anybody ever raised in the context of product stewardship the issue of the packaging of cigarettes?

Senator FISHER: There is always one.

Dr Wright: Could I just clarify: is your question about the recycling of the cigarette package or is it about the labelling and nature of the package?

Senator McEWEN: Has anybody else ever raised with you the issue that this whole process might be a method by which a government is going to propose that there be plain packaging of cigarettes?

Dr Wright: No.

Senator McEWEN: Thank you.

CHAIR: Thanks, Dr Wright. Thanks to the officers.

[20:30]

CHAIR: We will now move to officers from the department in relation to program 2.2, affordable housing.

Senator PAYNE: I might just seek your guidance, Chair. I understand that this session is due to run until 9.45 pm. Does the committee take a break at 9.00 pm? Thank you very much. Senator Ludlam and I will share the gig to the extent possible, I guess.

CHAIR: Can we make it a trifecta? I might have some questions.

Senator PAYNE: Yes. You can direct traffic. I am sure you will. Let me start with a brief reference to the previous estimates, where Senator Ludlam and I, in the spirit of great cooperation, shared approximately 14 minutes of questioning time on this particular subject area with a degree of precision that even impressed ourselves. As a result of that, I placed a relatively small number of questions on notice. I am sure Senator Ludlam placed questions on notice as well. I was burdened with the answers to those yesterday and today. I understand this matter has been raised by other senators before now today in relation to responses. I have to say to the minister that I imagine it does make the job of the estimates committee and the Senate committee itself very, very difficult when one is seeking perfectly legitimate pieces of information as answers to questions on notice that were due on 8 April and they are received the day preceding and the day of the actual hearing for the subject matter.

Senator Farrell: Senator Payne, I have a list here, I think, of 100 pages of questions that were not answered under the previous government.

Senator PAYNE: Is that supposed to make me feel better, or just you feel better, perhaps?

Senator Farrell: I think it just simply makes the point that sometimes these things take a little bit longer than—

Senator PAYNE: What happened to transparency and some shame?

Senator Farrell: Well, I do not think it is an indication of a lack of transparency.

Senator PAYNE: Really? Answering questions the day before the Senate committee hearing and on the day of the committee hearing is transparent, is it?

Senator Farrell: Really! Sometimes these things take longer than you like.

Senator PAYNE: Where was the delay, Minister? Was it with the department or with the principal minister?

CHAIR: Senator Payne, can you just let Senator Farrell finish his answer.

Senator PAYNE: Certainly, Chair.

Senator Farrell: Thank you, Chair. As I said, sometimes these things take longer than you expect. That is a feature of government; it has been a feature of this government and it has been a feature of past governments. We do our very best to respond to the questions in a timely manner, but it is not always possible, Senator.

Senator PAYNE: Thank you, Minister. Where was the delay—with the department or with the substantive minister in the portfolio?

Senator Farrell: Well, I am not sure.

Senator PAYNE: Do you know when the answers were delivered to the minister for signing off?

Senator Farrell: Look, I do not know the answer to that, but I shall find out for you.

Senator PAYNE: Does the department know when the answers were delivered to the minister for signing off?

Dr Grimes: Senator, I think all of these matters were fully canvassed this morning.

Senator PAYNE: Perhaps, then, you could assist me quite easily, Dr Grimes.

Dr Grimes: Senator, I have already answered the questions. The parliamentary secretary has also indicated that these are processes that can take some time. But these matters were covered in full this morning.

Senator PAYNE: Well, if they were, then, Dr Grimes, perhaps you could just tell me when the answers were delivered to the minister.

Dr Grimes: Senator, earlier this morning I outlined the process that had been followed and the timing in which questions were being provided, fully recognising that the process does take some time.

Senator PAYNE: Is there a date?

Senator FISHER: I think Dr Grimes indicated early April.

CHAIR: Senator Fisher, Senator Payne does not need your help on this. Senator Payne can ask. Senator Payne, you have the call.

Senator PAYNE: I am always grateful for Senator Fisher's help, Chair. Dr Grimes, is there a date?

CHAIR: I am not sure the committee is.

Dr Grimes: I indicated the dates this morning, Senator.

Senator PAYNE: And you are not prepared to repeat one single date for me tonight? I am sorry, but I cannot be everywhere at once, Dr Grimes. I was not here this morning. That is not my fault. It was in regard to other responsibilities in relation to Senate work. What is the date?

Dr Grimes: Senator, I—

Senator PAYNE: It cannot be that onerous to tell me the date if you have already put it on the record.

Dr Grimes: This morning I indicated that questions had been provided in early April for all of our questions with the exception of one that was requiring consultation with another government.

Senator PAYNE: Thank you very much. I appreciate that. I will go to some other matters, unless Senator Ludlam wants to pursue that issue at all. I will go to some questions about matters which were covered in your department's red book in relation to housing supply and affordability issues. I understand that in the incoming government brief there were some comments about the size of development contributions with regard to infrastructure and their component size in relation to planning related costs and some state comparisons. Is your department involved in the consultation for the Treasury process that is developing principles for the imposition of infrastructure charges?

Mr Thompson: Senator, you are correct in saying that that process, which is the housing supply and affordability reform agenda, is led by Treasury. We have engagement with Treasury on that agenda as it is being progressed with state and territory governments.

Senator PAYNE: What is the nature of that engagement, Mr Thompson?

Mr Thompson: It is engagement that has been occurring since the affordable housing and supply issues came as a portfolio issue into our portfolio. It takes the form of reasonably

regular meetings with Treasury. We do not attend or take part directly in the housing supply and affordability reform agenda meetings with the jurisdictions, but we engage with Treasury outside of those fora.

Senator PAYNE: You said it had been taking place since the department was involved in this policy area. So is that since just after the last federal election in mid- to late 2010?

Mr Thompson: It is late 2010. Our engagement in that comprehensive agenda has been more involved more recently, so I would not say it has been consistent across that full time.

Senator PAYNE: At what level is the department represented?

Mr Thompson: The departmental committee and the meetings that we participate in are typically at first assistant secretary, division head level. We have other engagement with departments at deputy secretary level but also at assistant secretary level as well.

Senator PAYNE: Is Ms Wiley-Smith a representative?

Ms Wiley-Smith: Yes, I am. I have been involved in weekly meetings with both Treasury and Prime Minister and Cabinet on these types of issues.

Senator PAYNE: Can the department give any indication of when they expect the principles to be taken to the ministerial council for federal financial relations?

Mr Thompson: My understanding, Senator, is that a report back from that jurisdictional group involving Treasury and first ministers departments is due to come back to COAG in June of this year. It will cover that issue and a range of others.

Senator PAYNE: Is there a COAG meeting scheduled for June?

Mr Thompson: I cannot confirm that. Sorry, I do not know.

Senator PAYNE: Are you aware of the recently released Productivity Commission report which contained some analysis regarding this policy area—the infrastructure charges and developer contributions?

Mr Thompson: Yes. I am aware of that.

Senator PAYNE: Does your department have a process for incorporating that work into the existing IGA process? What is that, if you do?

Mr Thompson: Well, my understanding—again, this is something which is being led by Treasury; Ms Wiley-Smith might correct me if I am wrong—is that the Productivity Commission's draft report and now its final report have already been influencing the discussions with jurisdictions about the sort of issues that governments might consider pursuing in the reform agenda.

Senator PAYNE: Ms Wiley-Smith, is it a core part of the process?

Ms Wiley-Smith: Yes, it is.

Senator PAYNE: From the department's perspective, from the policy perspective, is there any work being done on proposals to ensure that, as far as possible, the direction of infrastructure charges is to directly fund infrastructure in relevant communities rather than going into the consolidated revenue pot, as they seem to do?

Ms Wiley-Smith: The discussions that have been going on so far have not progressed to talking about how we might work together with the states on actual funding. It is more about what the principles are and what we would agree would be the best way forward. So at this

stage that is where really we have been focussed. But with these discussions with the states, as Mr Thompson has mentioned, we are not actually in the room ourselves so it is probably better to refer this directly to our colleagues in Treasury.

Senator PAYNE: I understand. Thank you very much. I appreciate that.

Mr Thompson: Just to add to that, Senator, I would note too that the Productivity Commission puts an emphasis on increased transparency at least around infrastructure charges rather than necessarily hypothecation of making sure they go to particular infrastructure. That is my reading of it, anyway.

Senator PAYNE: Yes. Although I think implied in a large part of the work they have done is a reflection of concerns that you may have a very high set of infrastructure charges in some jurisdictions in particular and no apparent relativity to the creation of infrastructure related to very important developments in terms of housing affordability.

Mr Thompson: They certainly point to that relationship, yes.

Senator PAYNE: So they were the sorts of issues that I was concerned about there. I want to get some clarification, if you are aware, of whether or not the papers that COAG commissioned for mid-last year in relation to the work of the housing supply and affordability reform working party were to include potential national reforms on zoning and planning on infrastructure charges and building regulations. Have they been released? First of all, have they been provided to COAG, do you know?

Mr Thompson: I am not sure I can answer that, Senator, simply because I do not know. I do not think I can answer that definitively. It is one better asked of Treasury.

Dr Grimes: Senator, I really do think most of these questions do lie with Treasury.

Senator PAYNE: These are questions relating to the housing supply and affordability reform work. Is your department interested in that process, Dr Grimes?

Dr Grimes: The materials that are being coordinated through to COAG and to the ministerial council and federal financial relations are not matters that this department has the lead role in progressing.

Senator PAYNE: No. I understand that.

Dr Grimes: For that reason, we are constrained in the amount of information we can give you this evening.

Senator PAYNE: I am not seeking a great deal of information. What I am seeking your advice on and that of your officers, Dr Grimes, is the extent to which the department is engaged in these processes and is aware of what is happening in this space. Stakeholders, who I assume work with your department as well as with other departments, continue to be concerned—in some cases frustrated—by a lack of information in this space. We will get to the National Housing Supply Council quite soon, I am sure. Therefore, I am interested in what level of engagement and what level of awareness your department has. I do not think they are unreasonable questions.

Dr Grimes: Senator, the engagement we have is an internal government engagement. The matters that you are going to would be better directed to the relevant departments that have the primary responsibility.

Senator PAYNE: But I am not interested in what Treasury is doing in this space at the moment, Dr Grimes.

Dr Grimes: We have confirmed that we are involved in internal government work. I am not sure that there is very much more that we can add this evening. But we can certainly answer for the programs that we manage.

Senator PAYNE: I suspect there probably is, Dr Grimes. I think perhaps—please, by all means, correct me if I am wrong—you are expressing a lack of inclination to assist me in this area in relation to your department's involvement. It is actually quite hard, might I say, Dr Grimes, since the division of the portfolio area. I know Senator Ludlam has expressed this view as well, although I am not going to verbal him. It is actually quite hard since the division of the portfolio area between FaHCSIA and your department, with another minister, Minister Macklin, involved in the process as well, to determine with any precision the levels of engagement, influence, involvement and even interest, in some cases, of the departments in these processes that are meant to be whole of government. So I think the estimates environment, if I might say after some years in the estimates environment on both sides of the equation of government and opposition, is a perfectly reasonable environment in which to pursue these questions.

Dr Grimes: And certainly matters that relate to this department, you are correct, Senator, are perfectly reasonable. On matters that relate to this department we would want to assist you in any way that we can. But we also adhere to the conventions of the Senate estimates, and those conventions are that departments do not stray into matters that are properly the responsibility of another department.

Senator PAYNE: And I do not believe—again, I am very happy to be corrected—I was asking you or your officers to stray anywhere. Would I be asking you to stray, Dr Grimes, if I pursued matters relating to the National Housing Supply Council?

Dr Grimes: No. That is a matter for which we have primary responsibility, Senator, and questions would be appropriately addressed to us here this evening.

Senator PAYNE: That is an interesting statement in view of the inordinate delay in this case of prime responsibility of your department in relation to the appointment of the members of the National Housing Supply Council, whose membership, as I understand it, expired in May 2010. They were rather quietly reappointed in some cases last week, I believe, and new appointments made as well. Is that correct?

Dr Grimes: Senator, the announcements, I believe, were made last week.

Senator PAYNE: As I understand it, your department's incoming government brief indicated—in an area of direct responsibility for your department, just to be clear—that this was a critical decision for the first three months of the new government. Is that correct?

Dr Grimes: Senator, I cannot recall what was in the incoming government brief. It was prepared last year. If you say that it was in there, I will accept your reporting of that.

Senator PAYNE: Do you want me to help you with that?

Dr Grimes: Mr Thompson can confirm.

Mr Thompson: I can confirm—not that exact wording, I do not think—that appointments to the National Housing Supply Council were raised in the incoming government brief.

Senator PAYNE: So the council members were reappointed last week notwithstanding the fact that they were due to be appointed last year. When did the department provide advice to the minister on possible replacement members?

Mr Thompson: Just for the record, the appointments were announced on 12 May.

Senator PAYNE: Sorry, just after the budget, then. Lovely.

Mr Thompson: On 12 May, yes. In terms of your question, of course, following the briefing material that was provided to the government in the incoming government brief context, we have had several discussions and provided advice to the minister on appointments in the intervening period.

Senator PAYNE: Can you indicate approximately when that was, Mr Thompson?

Mr Thompson: I do not have those dates, Senator.

Senator PAYNE: Could you take that on notice, please.

Mr Thompson: I will take it on notice.

Senator PAYNE: Thank you very much. As I understand it, the plans for the National Housing Supply Council report 2011, which was due for release in April 2011, according to the previous schedule, included a number of areas, including the residential construction industry and social housing. Given that the members were only appointed on 12 May, how long will it be until that state of supply report is produced?

Mr Thompson: Senator, on the issue of the previous schedule saying that the report would be released in April, I cannot confirm that. I do not have that detail in front of me and I am not sure where you are drawing it from. Again, it might be the incoming government brief. I am not sure.

Senator PAYNE: I believe so.

Mr Thompson: A lot of the preparatory and analytical work that underpins the report of the council has been continuing anyway. It involves commissioned work, demographics and some analysis around the housing market, as you would appreciate. We are still expecting the National Housing Supply Council to release a report later this year.

Ms Wiley-Smith: The council itself will actually determine when the report will be released. So the timing will be something that they will determine. But the terms of reference for the council clearly say that it is an annual report, so it will be sometime in 2011.

Senator PAYNE: So when was the last time a meeting of the council in any incarnation actually took place?

Ms Wiley-Smith: I do not have that information with me, Senator, so I am happy to take that on notice.

Senator PAYNE: When is its next meeting due?

Ms Wiley-Smith: The next meeting is scheduled for June.

Senator PAYNE: Is there actually a date?

Ms Wiley-Smith: We are still confirming the availability of the council members, but it will be around mid-June, we hope.

Senator PAYNE: You are going to be busy in mid-June. Mr Thompson, the incoming government brief indicated that the report was due for release in April 2011. It is also the incoming government brief which indicated that the reappointments of members to the National Housing Supply Council was marked as a critical decision in the first three months in relation to the government. I do not know if Senator Ludlam has any questions in relation to the Housing Supply Council.

CHAIR: Are you finished for the time being?

Senator PAYNE: On the National Housing Supply Council, yes.

Senator LUDLAM: We are a bit concerned—following on from Senator Payne. I can understand why the immediate priority is just to follow on and produce the third state of supply report. But I suppose we are a bit concerned that the first two have not really had much attention paid them. They pretty clearly illustrate gigantic gaps between supply and demand. I think in 2008 they identified a gap of about a quarter of a million affordable rental dwellings. By the time of their 2010 report, it was nearly half a million. I raised this in October last year and was told that the stimulus package and the Housing Affordability Fund would fix it. Both of those appropriations have either run out or are about to run out. I wonder whether you can tell us what happens when they do produce these reports. Where do they go? What becomes of them?

Mr Thompson: Senator, just for the record, I do not think any official from our department would have said that the National Rental Affordability Scheme or the Housing Affordability Fund would fix the housing problem.

Senator LUDLAM: No. I did not say NRAS. I said the stimulus funding.

Mr Thompson: Clearly, the supply gap is a function of a whole range of factors, both on the market side and on the government side. In particular, as Senator Payne pointed out earlier, it relates to a significant range of issues at state and territory and local government level as well. I am not sure that I agree with the contention that not much has happened as a result of the reports. I think clearly the feedback we get from the industry and the community housing sector is that the reports have been very useful in at least two respects—one in raising the profile of affordability issues and supply issues in the wider public debate. I think the fact that we have the Productivity Commission's work and the housing supply and affordability reform agenda initiated by COAG are both some evidence of that, at least. Secondly, the report has been extremely useful on the market side and the supply side in demonstrating potential sources of capital that Australia does face a genuine supply gap in housing and that this gap presents then an investment opportunity for attracting capital into the sector.

Senator LUDLAM: Yes. I guess when we get to NRAS you can tell us a little bit more about that. What was the selection process for new appointments to the supply council?

Mr Thompson: Well, obviously, the decision ultimately or the recommendation is one by the minister to the Prime Minister, who makes the final decision in consultation with the Treasurer. So there is that process to go through. Clearly, the minister had an interest in talking to some of the major players in the sector, which he has done through a couple of roundtables now and through other processes which he was running related to that, and an understanding of who would be useful people to have in that context. So the department provided advice on individuals and the minister considered that advice.

Senator LUDLAM: Did you advertise, or was it just hand-picked?

Mr Thompson: No. It was not. As far as I know, it was not advertised.

Senator LUDLAM: You have selected some great people as members, by the way. The one who raised my eyebrows a little was Nigel Satterley. I wonder whether the department is aware that at every opportunity in the Western Australian press at least he vehemently promotes and defends urban sprawl and criticises the protection of endangered species and that he donated \$25,000 to the Liberal Party at the last election. I raise specifically his views on urban consolidation infill as opposed to just rolling the urban carpet over the horizon. Did those views matter? Were they taken into account during the selection process? I can read you some choice quotes, if you like, but I just wonder whether the department was aware of that.

Mr Thompson: Certainly I personally was not aware of some of the things that you have raised there. I have no doubt that the publicly stated views of all of these people were taken into account in the minister's final consideration.

Senator LUDLAM: Okay. This is my last question, Chair. Did the department prepare a short list and then bounce that to the minister? Can you tell us how the chain of decision making went?

Mr Thompson: Well, the department—I think this probably goes to an issue about advice that Senator Payne asked previously; I am not going to go to the details on when the—

Senator LUDLAM: I do not mind what the advice was. I am just keen to know at what point. So you gathered a short list of names and the minister developed a list?

Mr Thompson: We did provide suggestions of names.

Senator LUDLAM: You did. All right. Thanks. I will leave it there.

Proceedings suspended from 8.59 pm to 9.15 pm

CHAIR: Mr Thompson, I am not sure if you can do this, but can you update the committee on how the Housing Affordability Fund is assisting in the development of affordable housing across Australia?

Mr Thompson: Yes, Senator. Ms Wiley-Smith might want to kick in here as well if I am flagging. But \$448.2 million has been allocated to the Housing Affordability Fund to help reduce the costs of new homes to home buyers. The objectives of the fund when it was established were to reduce regulatory or holding costs of home development—for example, the cost of housing development planning and assessment processes and obtaining building approvals and, secondly, infrastructure costs, including connecting services to housing developments, such as water, sewerage, roads and community facilities et cetera. To date, 75 projects have been approved for funding. The projects are of two kinds. They are helping to fund infrastructure along the lines of the second objective of the fund that I just mentioned. The projects are also going to planning and development approval reforms that reduce developers' costs, which in turn should help to reduce the costs to home buyers.

CHAIR: What about the Ropes Crossing infrastructure project in Blacktown? Can anyone tell me about that?

Ms Wiley-Smith: Senator, to date, the Ropes Crossing project is proceeding as planned. Funding is being used to upgrade a section of the northern road from St Andrews Road to immediately north of Sherringham Road to the southern entry of the St Marys project western

precinct in the Penrith local government area. There will be 2,450 residential lots created, with 250 lots to be sold to eligible purchasers with a saving of around \$22,000 per household.

CHAIR: How many lots?

Ms Wiley-Smith: The amount of lots is 250 lots.

CHAIR: Oh, 250. I thought you said 2,000.

Ms Wiley-Smith: Overall there are 2,450 residential lots, but 250 of those lots will actually be at a reduced price.

CHAIR: The National Housing Supply Council report last year said there were a number of challenges remaining. One was to explore the challenges of increasing supply that are sustainable and affordable, understanding drivers of demand and understanding demand and supply in submarkets. Have there been any developments in that leading to the appointment of the new council? What steps have been taken to deal with these issues?

Mr Thompson: Well, I will take your question as going to the new membership of the council, Senator, and the particular expertise that has been appointed there.

CHAIR: What can they bring to bear on what the 2010 council said were the challenges?

Mr Thompson: Just to take a couple of examples—I will not go slavishly through all of the new appointees—certainly Graeme Hugo is a well-known and leading demographer in the Australian context. He is professor of geography and director of the National Centre for Social Applications of GIS. He has research interests in urban and population geography and demography and social geography. He will be able to add to the council's expertise in relation to population change issues. Ruth Spielman, who is executive officer of the National Growth Areas Alliance, is qualified in both social work and urban planning. She has been working in growth area councils across strategic planning and community services for over 15 years. Mark Hunter, who is CEO residential for Stockland, has over 28 years experience in the property sector both in this country and in South Africa. So, just as a sample of the new appointments to the council, I think that they will bring both a particular market focus and expertise in relation to some of the drivers for housing supply and affordability and housing demand in this country, which is critically where the gap comes from.

Senator PAYNE: I want to go back to the Ropes Crossing project, which Senator Cameron referred to. Ms Wiley-Smith, what is the status of that road project?

Ms Wiley-Smith: Just bear with me as I find the document.

Senator PAYNE: Andrews Road to Sherringham Road, I think you said, on the northern road. What is the status of the project? Where is it up to? When is it expected to be completed?

Ms Wiley-Smith: I will just check for you, Senator, and see if I have the information here. It looks like it is close to completion, with the information that I have in front of me, but I can certainly take that on notice and get further information for you.

Senator PAYNE: Thank you. I would appreciate that. In relation to other projects which have received HAF funding of that nature, can you take on notice for the committee a breakdown of those projects state by state and area by area in relation to the savings returned to home buyers and to purchasers in each one and outline those for the committee?

Ms Wiley-Smith: Certainly.

Senator PAYNE: All of those projects under the HAF?

Mr Thompson: Yes, we will take that on notice. They will be average savings. And for some of them, depending on where the projects are in terms of completion, those average savings might be more or less estimates.

Senator PAYNE: Thank you very much. Ms Wiley-Smith, if you have taken the details of that question about the road project for the Ropes Crossing development on notice, will you indicate for the committee the status of that project—where it is up to, when it was commenced, what its completion date was supposed to be and when it will be completed?

Ms Wiley-Smith: Certainly.

Senator PAYNE: Thank you very much. Just in relation to the HAF, can you indicate, Mr Thompson, whether in the move from FaHCSIA to your department any funding that was designated for the Housing Affordability Fund was affected? Was there any change in the status of funding or a reduction in funding or a reallocation of funding?

Mr Thompson: Not as a result of the move, Senator. But, as you may be aware or might even be alluding to, there was \$51.8 million of the fund's initial appropriation redirected to the Building Better Regional Cities Program. That was a decision coming out of the 2010 election, I think.

Senator PAYNE: Yes. I recall that. As I understand it, on the website it indicates that funding for the Housing Affordability Fund is fully allocated. Is that correct?

Ms Wiley-Smith: Yes, that is correct.

Senator PAYNE: Is there any uncommitted funding?

Ms Wiley-Smith: At the moment we actually have an allocation of \$448.2 million. I believe that it is \$447.6 million that has been allocated for funding.

Senator PAYNE: So you are overcommitted?

Mr Thompson: No, the other way around. The appropriation is \$448.2 million and we have allocated—

Senator PAYNE: And the allocation is \$447.6 million. So there was no funding diverted to other programs other than the \$51.8 million that you have already referred to, Mr Thompson, or to consolidated revenue that was not apparent in budget measures?

Mr Thompson: No.

Senator PAYNE: Thank you very much.

Senator LUDLAM: Would you describe it as a successful program? Was it value for money? Was it successful? Did it deliver what you set out to have it deliver?

Mr Thompson: That could go to an issue of opinion, which I will not venture into. But the way I would choose to answer that is by asking: has it met its program objectives, which were, as I outlined before, to reduce the regulatory holding costs of home development and, mainly through reforms on the reform side, to reduce infrastructure costs? On both of those bases—and I have to caveat this by saying that some of the reform projects in particular are at an earlier stage of rollout so we are yet to see the outcomes of those—at this stage the program is meeting those objectives.

Senator LUDLAM: Okay. So why are you killing it? I gather the funding has increased a little bit to \$518 million to 2013 and then it disappears.

Mr Thompson: It is a lapsing and terminating program. Whether the government chooses to continue it at the end of its life will be a matter for government at the time.

Senator LUDLAM: So the absence of an appropriation beyond 2013 does not necessarily indicate that there has been a decision made to kill it?

Mr Thompson: There has been no decision either way, as far as I know.

Senator LUDLAM: I thought there might have been one that I have missed. But the funding quite clearly does not roll out beyond 2013. I would like to change the subject to NRAS. We are pleased with the announcement that the target of at least 50,000 is intact. I think the words 'at least' are important. I wonder whether any instrument is required for the department to guarantee that those places will be restored and, specifically, whether the funding will flow. Has the minister made a statement or is he planning on making a statement that the funding will be restored again from 2015?

Dr Grimes: Statements were made precisely along those lines at the time the commitment was given.

Mr Thompson: Certainly in the budget papers—I am just looking for the reference—Budget Paper No. 2 for this year, which included the savings measure relating to the National Rental Affordability Scheme, states that the government will spread the rollout of NRAS over a longer time period. There will be 35,000 incentives funded over the forward estimates and a further 15,000 dwellings to be supported beyond the forward.

Senator LUDLAM: All right. How many staff are dedicated to NRAS within the department?

Ms Finnigan: There are currently about 34 people working on NRAS.

Senator LUDLAM: Has that gone up or down over time?

Ms Finnigan: It constantly moves. It stays around that.

Senator LUDLAM: Over what sort of range?

Ms Finnigan: Probably between 30 and 35.

Senator LUDLAM: When was the last time the NRAS advisory group was convened?

Mr Thompson: We can find the precise date. I am pretty sure it met in March. It was convened and met in March this year. I think it was 25 March.

Senator LUDLAM: Does that group produce minutes or any kind of statement or communiqué or something when it meets?

Mr Thompson: No, it is an advisory group to the minister.

Senator LUDLAM: If you can confirm for us exactly when it met, that would be great. Does it have a forward program of meetings?

Ms Finnigan: It does not. The last meeting was 25 March.

Senator LUDLAM: Of 2011?

Ms Finnigan: Of 2011. It was a reduced membership meeting—

Senator LUDLAM: How come?

Ms Finnigan: with the first assistant secretary of housing supply and affordability and three members of the reference group. Prior to that, there was a meeting with the minister in February.

Senator LUDLAM: With the minister in February of this year?

Mr Thompson: Just to be clear, the meeting with the minister in February was of a wider group. I think they are calling themselves the national affordability summit.

Senator LUDLAM: That is not the advisory group?

Mr Thompson: No, it is not. That is right.

Ms Finnigan: But there are some common issues there.

Mr Thompson: The national summit is the housing group. It is a different group.

Senator LUDLAM: I do not want to confuse the two.

Mr Thompson: No. That is right. I am just clarifying that.

Ms Finnigan: The first meeting of the reference group was in Sydney in August 2010.

Senator LUDLAM: The first in Sydney, yes.

Ms Finnigan: And then—Mr Thompson is quite correct—in March of 2011.

Senator LUDLAM: But a smaller group.

Senator PAYNE: The first meeting.

Ms Finnigan: A further meeting has been not organised.

Mr Thompson: It is not scheduled at this stage.

Senator LUDLAM: Is it intended that it is only going to meet about once a year?

Mr Thompson: I do not think there is an intention either way. I think the minister has indicated that he would like to receive advice from the group. We would expect at officials level that we would meet again this year.

Senator LUDLAM: I would hope so. When will the next NRAS newsletter, or the e-bulletin, as you call it, be published?

Mr Thompson: It is not currently scheduled. We do not have a current schedule for the next publication.

Senator LUDLAM: With the amount of money that is being spent, if we did not take you folk on a couple of times a year at estimates committees, nobody would know what was going on. I invite you to produce another newsletter, given the enormous volumes of funding that are passing through the department.

Mr Thompson: We will certainly consider that.

Senator LUDLAM: That would be great. I am on your subscription list. I want to go directly to the rounds. In NRAS round 3, I think you called for applications with 1,000-plus incentives. You received 25. Can we have an update? And, maybe to keep this fairly short, can you table a list of successful applicants to round 3?

Ms Finnigan: Applicants? I would have to take that on notice, Senator.

Senator LUDLAM: No. That is what I am asking.

Mr Thompson: Yes. We can do that.

Senator LUDLAM: Round 4 closed last December. Can you just give us an update of where that is up to and particularly whether you believe you will meet the June deadline of informing successful applicants?

Ms Finnigan: Well, I will take the June deadline first. We are certainly on track to meet that June time frame. We have an outstanding assessment of around 52,000 incentives.

Senator LUDLAM: What does 'outstanding assessment' mean exactly in this context?

Ms Finnigan: They are still undergoing assessment by ourselves and the states and territories.

Senator LUDLAM: Is that another way of saying that you are really, really busy? It sounds like a lot.

Ms Finnigan: We are very busy, Senator.

Senator PAYNE: So how many does that mean you have assessed, Ms Finnigan?

Ms Finnigan: So far, we have made offers on over 1,800 incentives. We have not supported almost 7,000. So more than half we are still progressing.

Senator LUDLAM: Vastly more than half.

Senator PAYNE: You mean like double.

Senator LUDLAM: Yes. Has the industry given you any indication of concerns around the enormous holding costs that they are accruing while they are waiting for the assessments to go through the system?

Ms Finnigan: That is an issue that we are aware of, Senator. It is one of the reasons that we push through the assessments as quickly as we can. For example, in round 3, we took an average of eight weeks to complete assessment for those applications. The sheer volume of the number of applications received for round 4 is having a bit of an impact, particularly given that the bulk were received on 14 December. Of all those round 4 applications that were received earlier, I think all of them have been processed. So the regulations require us to assess according to date received.

Senator LUDLAM: Sure.

Ms Finnigan: And that is how we are progressing it.

Senator LUDLAM: You are a victim of your own success. But did you not see this coming? You advertised for a certain number of incentives. In they came, and now you are swamped.

Senator PAYNE: What about staff increases? Have you considered those?

CHAIR: Senator Payne, you have had your time. Senator Ludlam has asked the question. Then we will come to Senator Payne.

Ms Finnigan: I guess 'swamped' is a word to use, whereas I would say that we are managing the assessment processes and we are meeting the time frames as defined.

Senator LUDLAM: In your next round—round 5, I think—or even round 4, which is closed now, and the subsequent rounds, you are trying to attract very large-scale institutional investors and hand over large numbers of incentives. How are you going to keep up as this program scales up? It is scaling up because it is successful, so I am not taking a shot. But it does not look as though you have the resources available to actually move things through. I

know some developers are getting toey and some of them, I am aware, have dropped out because they cannot handle the time that it is taking to process while they are holding land.

Mr Thompson: I think part of your question goes to an issue around the government decision in relation to the cap that has been put in place and the timing of the remaining 15,000. So that leaves an open question about next round et cetera. But in terms of handling the assessment process, as Ms Finnigan said, it is well known to developers and to all applicants that the regulations stipulate that we will seek to assess incentives within a six-month period and make offers in that time frame. That might sound overly generous to the department in its assessment role, but this is a partnership with state governments as well, Senator, as you know very well. So there is an important element of the assessment process which relies on state support and engaging state support for individual incentives. I suppose in terms of certainty for the sector, we certainly have made it very clear that we aim to complete the assessments within six months. As Ms Finnigan said, in the last round and previous rounds we have done that in a shorter time period so there is no lack of certainty on the part of developers.

Senator LUDLAM: I have a lot more questions on NRAS. I might yield to Senator Payne briefly because I know we are a bit short of time.

Senator PAYNE: Looking at the time, I do not think either of us have a lot more questions on anything. Nevertheless, based on the numbers that you have given, then, to Senator Ludlam, if the round closed on 14 December and your regulatory requirement is to consider the applications within six months, that takes us, I assume, to 14 June.

Ms Finnigan: Yes.

Senator PAYNE: Ms Finnigan, correct me, but did you indicate that you have made 1,800 offers and not supported 7,000—so that takes us to 9,800—which have been considered between 14 December and 24 May and you have 52,000 incentives to consider between 24 May and 14 June?

Ms Finnigan: That is right, Senator. Action is progressing on all of those. Some of those are almost complete.

Senator PAYNE: What proportion of the 52,000 is almost complete?

Ms Finnigan: I would need to take that on notice.

Senator PAYNE: Could you hazard a guess? In fact, to put it into estimates language, could you make an estimate?

Ms Finnigan: No. I would rather not, Senator. I really would not want to mislead.

Senator PAYNE: No. And I am not asking you to do that. But I am thinking—and I assume if Senator Ludlam is doing the maths at the same time—in what amounts to essentially three weeks you are going to consider 52,000 outstanding incentives, having processed 7,800 in five months. How is that possible?

Dr Grimes: Senator, clearly assessment processes of this sort are something that go over many months .

Senator PAYNE: I understand. I am trying to get a better understanding.

Dr Grimes: So it is not that we start an assessment, deal with those assessments and start a new lot of assessments and deal with them. If that were the case, then the maths would

indicate that we would have a very challenging task on our hands in the next few weeks. I think, as Ms Finnigan was indicating, processes have now been running for several months and that will now come to an end over the next few weeks.

Senator PAYNE: That is why I asked Ms Finnigan for an assessment of what proportion was up to what point, which would give the committee a better idea. I understand that she is taking that on notice and that is fine.

Mr Thompson: Senator, I will add to that. There is a large number of incentives and there is a much smaller number of applicants.

Senator PAYNE: Yes. I appreciate that.

Mr Thompson: So that puts it in context. I will quickly say too that, as Dr Grimes said, it is not a linear process, in a sense.

Senator PAYNE: No. That is why I was trying to get an idea.

Mr Thompson: We already have provided some time ago to the states and territories the incentives to be assessed as well. So we are relying on that information coming back. We expect that.

Senator PAYNE: That, in fact, was my next question. That is, how efficient and/or timely are the states and territories in their response in that process? Are any of them outstanding or delayed?

Ms Finnigan: There were some delays just after the Christmas-New Year holiday period. But I have to say that the returns in the past month have been very timely.

Senator PAYNE: Thank you very much. I will go back to Scott, if the Chair wishes.

CHAIR: You are very good at this. I am quite happy to let it run.

Senator LUDLAM: Aren't we well behaved? Can I do Building Better Cities here, or is that somewhere else?

Senator PAYNE: Have you finished on NRAS?

Senator LUDLAM: No, I have not. I am just checking whether I have to squish that into 4½ minutes as well.

Senator PAYNE: I think the answer is yes.

Senator LUDLAM: I am going to bounce in a bunch on notice, which I would prefer not to do. But I will have to leave some stuff with you.

Senator PAYNE: And I will do the same.

Senator LUDLAM: With regard to NRAS and six-star standards, can you provide us with some up-to-date statistics on what kind of ratings you are building as far as energy and water?

Mr Thompson: Sorry, this is under NRAS?

Senator LUDLAM: Yes, it is. And not now. I am going to have to fly through a bunch of stuff. But that is one. I just want to get a bit of a sense of how you are handling six-star ratings and how your buildings are performing. WA, I understand, has also delayed introducing a six-star standard. Can you indicate how you are handling that? I give apologies; that is my home state. What about NRAS incentives in boom towns where land is unbelievably expensive and your incentives have barely touched the sides? When I last checked, it was not working in the

mining towns, where the real estate markets are berserk, so I would appreciate an update on how you are handling that. For example, have you considered more innovative models, like the dual key system, where you actually give out two incentives for one legal dwelling that would still accommodate two families? It would be classified as two dwellings. I am very interested in that. And there is the exposure draft legislation for the tax laws. So where did the TLA National Rental Affordability Scheme bill go?

Ms Finnigan: I understand that, of course, tax amendment is a responsibility of Treasury.

Senator LUDLAM: It is. But it is your scheme.

Ms Finnigan: They are getting tabled next week.

Senator LUDLAM: Sorry?

Ms Finnigan: The tax amendments are being tabled next week.

Senator LUDLAM: In the House?

Ms Finnigan: Yes. That is my understanding.

Senator LUDLAM: What are you doing in the meantime—and these are all on notice—to provide confidence to investors that they will still receive the rebatable tax offset, because this thing has been hanging around the neck of this scheme since it was first thought up? My last one on NRAS is: what are you going to do in 10 years when the incentives roll off and you are going to have whole apartment blocks going from being affordable housing to unaffordable housing overnight? Are you going to be kicking people out year on year?

CHAIR: To be honest, Senator Ludlam, I think it is a heroic question—

Senator LUDLAM: It is a brilliant question.

CHAIR: for an officer to tell us what they are going to be doing in 10 years.

Senator LUDLAM: No. The scheme extends.

Senator PAYNE: Perhaps the minister could tell us. Perhaps the minister can tell us.

Senator LUDLAM: The scheme has a sunset clause. It finishes. You withdraw the incentives. I want to know what happens to all the people living in the affordable housing. That then presumably takes a 20 per cent hike back up to the market rate. What is the exit strategy for not kicking thousands of people out, apartment block after apartment block? If you want to give me that in 30 seconds, it would be great.

Mr Thompson: In 30 seconds, you have raised a significant practical and policy issue which the government would need to work through.

Senator PAYNE: I am going to do the same as Senator Ludlam and indicate that I have a number of questions that I think I will have to put on notice. They concern the funding and allocation changes around the flood recovery process and where money moved and priorities moved. Can you advise briefly on the effect of those diversions from the original NRAS plan on the markets in other states? Is there an estimate from the department of how many dwellings that may have been built in each state will now not be built?

Ms Finnigan: The new budgeting arrangements have not had an impact on that delivery state by state, Senator. Applications received are still within the 50,000 national target. So states are able to continue to support those applications that they would like to support. There have not been any limits applied.

Senator PAYNE: All right. I will come back to the others on notice. Thanks, Ms Finnigan and Mr Thompson.

CHAIR: I thank very much the officers for program 2.2.

[21:46]

CHAIR: I now call officers from the department in relation to program 2.3, Sustainable communities.

Senator LUDLAM: I would like to start off on the sustainability indicators. There was a bit of movement on that in the last budget. I think you have \$10.1 million to develop sustainability indicators. People have been talking about these for millions of years, so it is great that there is something to work with. Can you just tell us who they are being developed for and how they will be used and give us a bit of an idea of what you are going to do with that money?

Mr Sullivan: Senator, as an aside, I too agree it has been a long time coming, having worked on this issue for over a decade. This is the provision of initial funding and ongoing funding for indicators. It will be in a development phase in terms of that indicator set over the coming months. Specifically, there were not specifics in terms of the announcement because the process of coming to a headline set of indicators will take consultation with other partners in terms of data availability and consultation across government and with partners. Some of the funding will be used for the development process. Some of that we envisage will enter into partnership arrangements with colleagues from the Bureau of Statistics. But there are other players in terms of data holders, the Housing Supply Council being one through to Geoscience Australia, potentially, and our own data holding. Part of this is getting advice on what those headline indicators will comprise. I imagine that will be a whole-of-government process, and hopefully some resolution of that, towards the end of this year, Senator.

In terms of the development process, I must say that stakeholder input has already been sought on the development of indicators. I think they were quite specific in terms of the development of the population strategy. In a number of the roundtables that the minister held, he sought the views of a range of stakeholders across a range of fields from demographics through to environment groups through to business groups on what we should be measuring to make sure that we are looking through a lens of sustainability in the longer term. So I think that process has basically started in terms of getting stakeholder views.

If we are going to go to the specifics, Senator, of how many indicators, what level of specificity, whether they are input indicators or output indicators and the detail of those, that detail is a matter for the government to work through over the next, I guess, six months.

Senator LUDLAM: What do you anticipate your reporting is going to be? I will probably pin you on this. It is something I have been interested in for a really long while. How are you going to keep the parliament updated as to progress on development?

Mr Sullivan: I imagine through estimates if there is an issue.

Senator LUDLAM: And if I do not turn up one day? Do you have some kind of reporting strategy in mind, for example, when you select a set of headline indicators that you are going to be developing and working on?

Mr Sullivan: It would be a matter for the government in terms of how that is announced and the level of consultation that goes with that. I think you are right, Senator; in terms of the level of interest, since the release of the population strategy, a number of the targeted messages that we have had as officials have been around the sustainability indicators and what that means—what its linkages are to the state of the environment reporting, for example. So those things will be worked through systematically over the next six months. In terms of reporting back, again, it will be a matter for government of how that is announced. Again, hopefully, that will be towards the end of this year.

Senator LUDLAM: I think that, in terms of the population strategy, you indicated that people were looking for numbers of people in that. Is there any intention or anything budgeted for promotion? We get told the value of gold every night. We get told the value of oil. We get told the value of various stock price indexes. In your thinking, even though I recognise it is probably at a fairly early stage, or even in your budget, can you tell us how you are planning on promoting these indicators once you have developed them?

Mr Sullivan: I agree with you. It is a good question, Senator, in terms of the availability of things that are on the nightly news in terms of the CPI, trade weighted index and a whole range of things. As part of that, there has been a growing trend towards other information being made available. Ideally, this sort of information will become part of the lexicon. In terms of making this information available, one of the jobs, and part of the job for the funding, is also a directory of sustainability information. So we will actually point people to the information that is available.

Senator LUDLAM: Great. I might move on. There was an announcement on suburban jobs. Again, there was \$100 million over four years to assist state and local governments to plan and provide for employment hubs to support local jobs. That is a brilliant idea. I do not think anybody has raised controversy around that. It is a relatively significant pool of new money, although it is spilled out over a couple of years. What does it mean? What does 'assist state and local governments to plan and provide for employment hubs' mean?

Mr Sullivan: I will go back and just clarify the funding. You said that the funding was spread over a number of years. The funding actually is quite small in the first year. It is some departmental funding and a small amount of administered funding. That points to a development phase with state and local governments over the next 12 months. In terms of what it is going to do, and what the government is seeking to do, it is basically to run a competitive process that will support projects which go to demonstrating enduring improvements—not one-offs—in the distribution of employment in outer metropolitan growth areas. In terms of what will actually be funded, again, I do not want to pre-empt the decisions that inevitably will be those of government about the grant guidelines that will go with that and that will accompany a competitive round and the criteria. I think that the lag time is actually not a lag time in terms of the funding profile; it is actually a recognition that this will take consultation with stakeholders to make sure that we are getting a bang for the buck in terms of that overarching driver of having projects that will have the capacity to reduce travel time to work for local residents.

Senator LUDLAM: So it is \$100 million over four years pro rata for WA. That is going to look like about \$10 million, also known as about \$2½ million a year. That is not going to allow you to do land acquisition or any really serious heavy lifting. So what will we see at the

end? What is the best case? What are you really hoping for in four years that you will be able to say you have done with that money?

Mr Thompson: Senator, as Mr Sullivan said, I do not think we can speculate on that at this stage. A lot of assumptions underlie your maths in terms of which centres might be targeted. Clearly the government has indicated that it wants to target the outer metropolitan growth areas in our major cities. I will just say that.

Senator LUDLAM: I have a couple of quick ones, because we are a little short of time.

Mr Thompson: I guess another thing I want to say quickly is that the scale of the funding also recognises, as does the announcement, that this is still chiefly an area of responsibility for state and local governments.

Senator LUDLAM: Sure. But the Commonwealth is getting back into the business of cities, and we are pretty happy with that. You are also waving around buckets of money. Will it be allocated pro rata, or will it be allocated on the basis of merit?

Mr Thompson: As Mr Sullivan said, it is a competitive grants program.

Senator LUDLAM: Okay. The latter.

Mr Thompson: Subject to government decision on the guidelines. I cannot speculate on that.

Senator LUDLAM: When will there be a government decision on the guidelines?

Mr Thompson: Again, as Mr Sullivan said, we have a small amount of funding in the first year of the program to design and develop the program. So we would expect that to be in the latter part of next financial year.

Senator LUDLAM: Okay. That will be published and then there will be, presumably, funding rounds based on merit?

Mr Thompson: Presumably, if it follows that normal case.

Senator LUDLAM: Is this explicitly about retrofitting suburbia? Is this about brownfields or is it about doing new suburban developments better?

Mr Thompson: I could not speculate on that. As I said already, and as the budget papers say, it is about metropolitan growth areas in major cities.

Senator LUDLAM: Thank you. Will you be doing any research into why this is not already happening?

Mr Thompson: Sorry, could you repeat that.

Senator LUDLAM: Will you be doing any research into why this is not already happening? What are the existing barriers in the fact that there are no employment sources in many new suburban areas?

Mr Thompson: I expect that in doing design work and development work around the program, yes, we would look at the current barriers and whether Commonwealth funding can help to relieve those.

Senator LUDLAM: Even publishing that research would be a good start. The budget description for sustainable regional development—I am shifting budget line items now—mentions seven different areas. Do you know what they are? This is \$29.2 million over four

years to develop seven sustainability plans for regional and coastal high growth centres. It sounds like a great idea. Do you know which ones?

Mr Thompson: I think the budget documents say up to seven additional areas. No, those areas have not been chosen.

Dr Grimes: I may be able to assist here. With the strategic assessments of the sustainability plans, this is something that we have to do closely in cooperation with state governments.

Senator LUDLAM: Of course.

Dr Grimes: So the precise locations where those plans would be done is in part dependent on states coming with proposals to the Commonwealth. But we certainly have the capacity now to work closely with the states in progressing that work.

Senator LUDLAM: Can individual councils or regional associations of councils put their hands up without the imprimatur of a state?

Dr Grimes: I would have to take advice on that question. Typically, there would be a state government sponsorship of a strategic assessment. It would not typically be something that is just done at a local council level.

Mr Thompson: I think that goes to the issue of scale as well in terms of the area that it covers and whether it is outside of a local government area, for example.

Dr Grimes: I do not believe it is formally precluded, but the typical thing that we would expect to see is something that is done with the state government.

Senator LUDLAM: All right. You do not know what the areas are yet. You are going to wait and see who puts their hands up. I just wonder whether I could remind you that many local government authorities went to the trouble of doing Local Agenda 21 plans. Will that provide particular areas with a head start if they have gone and done all that work already as far as getting in the queue for some of this funding?

Mr Thompson: It will certainly give those areas that are selected a head start in the planning process. But, as the secretary said, we expect there to be a negotiation or a discussion with state governments about the areas that need planning most. It is not a competitive process in the same way that the suburban jobs initiative is, if you know what I mean. We expect the areas to be selected based on their high growth potential or need.

Senator LUDLAM: The reason I am raising it is that there is a possibility there to really complement agenda 21 work that has already been done or completely undermine it and trash it, depending on how it is handled. These programs come and go. People have bright ideas. Then suddenly a program gets killed and people head off and do other things. So I guess I am just putting that out there as a bit of a caution. People have been thinking about these things for years. The Commonwealth has a reputation for occasionally just ploughing and parachuting over the top and trying to start everything again from scratch. Mr Sullivan, you look like you are—

Mr Sullivan: It is the issue of coming over the top. While a majority of the funding of this new measure is for the strategic assessment side of the business, which is the planning lever, there is also funding provision here for capacity building at the local government level, which is not for us to do the plan; it is to actually support the planning at local levels. Indeed, you

are right, Senator; Local Agenda 21 plans have been running since two to three years post Rio, so there is a wealth of knowledge there that, again, can be drawn on—

Senator LUDLAM: There is.

Mr Sullivan: By councils. But it is not just the Commonwealth coming in through the EPBC processes. There is also a funding provision there, which is important in terms of capacity building, to actually assist in this process.

Senator LUDLAM: Before I move on, the secretariat that was managing councils' applications and movement through the different Local Agenda 21 plans were operating on a budget of about \$3 million. It got killed and they had to sack everybody. I am just wondering whether, in your view—perhaps you will shunt me off to a different portfolio—there is any consideration to refund that tiny little appropriation of people who were doing great work so that you folk do not have to reinvent the wheel?

Mr Thompson: Senator, I have to say that in the design of this measure so far, that is not envisaged.

Dr Grimes: This measure goes fundamentally to strategic assessments under the EPBC Act and ensuring that we are doing them in a much more full way with the state and territory governments and getting better environmental outcomes, quite frankly, as well as better development outcomes rather than doing our EPBC assessments on a project-by-project basis. This is really looking over a much wider span of potential developments over time and ensuring that we not only do get the good environmental outcomes but also provide greater certainty for industry at the same time.

Senator LUDLAM: I am sorry, but we appear to be keeping the minister awake. I refer to two programs that involved great ideas that got up with fanfare. They were announced, ran for a year or two and then some decision got made and they were chopped. The Water for the Future program, at 4.1, water reform, I think was probably out of the last budget. The Green Precincts Fund and the National Rainwater and Greywater Initiative, I suppose, would be part of your responsibility if they still existed. The Green Precincts Fund had \$15 million over four years to do 10 demonstration projects in energy and water savings. It sounds pretty important for this day and age. Why was that discontinued?

Dr Grimes: Senator, I am not sure that I am able to answer the question tonight. It may be something that we can cover under the relevant outcome tomorrow, when we will have the officers that have been involved in that.

Senator LUDLAM: I move between different committees, so do not wait for me to be here if you have material you would like to table.

Dr Grimes: No. I do not believe we have the officers here.

Senator LUDLAM: No. I am saying that tomorrow if there is something that you are able to circulate for the committee, the secretariat can hang onto it. I am interested to know why it was knocked on the head and what the outcomes were. I understand you have some material online. Is that the final bottom line of everything we did under that program? Has that money been shifted to the infrastructure portfolio to fund the work that we have just been discussing?

Mr Thompson: My understanding in answer to the last question is no.

Senator LUDLAM: Because it provides something for the government to announce and a ribbon for the minister to cut. It looks like we are just continually reinventing wheels and doing all demo projects and pilot stuff that never get beyond the pilot stage because the programs get knocked on the head. Could you provide us with similar information on the National Rainwater and Greywater Initiative?

Mr Thompson: We probably can provide that information tomorrow, Senator, in the context of the water outcome.

Senator LUDLAM: I note that the government had decided that lower than expected demand was the reason for reducing and then scrapping the funding. I am really interested to know how it was promoted. What did you do to induce demand, as it were, or let people know that there was some funding that existed there? In both those issues—the green precincts and the rainwater and greywater—can you tell us where savings from those measures have gone? Did they go back into consolidated revenue or are they funding something else?

Dr Grimes: They go into the pot, so to speak, Senator, certainly in relation to the National Rainwater and Greywater Initiative. So it is not earmarked for a particular purpose.

Senator LUDLAM: Thank you. I have a couple more questions, if I may, which do not go to any particular budget line item. But they relate to the cost of sprawl, which is something that I presume you are reasonably preoccupied with. I am interested to know whether you are aware of research by Curtin University that found that for every 1,000 dwellings, the cost for infill in fringe developments is \$309 million and \$653 million respectively. The citation for that is *Assessing the costs of alternative development paths in Australian cities* by a number of researchers at Curtin University CUSP. Are you aware of that work?

Mr Thompson: That specific research I am not aware of, Senator. Sorry, the costs are related to?

Senator LUDLAM: Total structure, headworks, power and water. It is divided up through a number of portfolios. They have gone into an enormous amount of detail of the development costs on a block of 1,000 dwellings. Parking people way over the horizon is approximately twice as expensive as doing good infill. So, first of all, I am just directing you to that research because it is recent and I think it is extremely valuable. I wonder whether the department itself has done any work of that kind. Is there ever any attempt to leverage some of the savings that we could get?

Mr Sullivan: I will just go back to your first question about whether we are aware of the research. I would have to check on that. A member of the research group you are referring to from Curtin University was one of the participants at the roundtables that we conducted as part of the population strategy process.

Senator LUDLAM: Okay.

Mr Sullivan: I was not at that specific roundtable. I was at most of them. But they are then raised in the context of those discussions. Given what you are talking about in terms of the context, Senator, I would be surprised if it was not. In terms of your second question about whether we have done an analysis on the findings of that, the answer, I think, would be no.

Senator LUDLAM: Would be no?

Mr Thompson: I will just add to that, Senator. Certainly we did draw on a lot of expertise not only in the roundtables that Mr Sullivan referred to but in the expert panels that informed the issues paper that was developed and released in December for the population strategy.

Senator LUDLAM: I will leave it there. I will just commend you that research. I think you will be hearing a bit more about it. Thanks, Chair.

CHAIR: Thanks a lot to the officers from program 2.3. We will now turn to outcome 3. I call officers from the department in relation to program 3.1, Antarctic science policy. For everybody's information, we think we can wrap up tonight by 10.35 pm. So if everybody is on their best behaviour, we will have an early mark.

Australian Antarctic Division

[22:08]

Senator BIRMINGHAM: Ms Maddock and company, it is good to see you again. I will start with some of the budget measures outlined for Antarctica. There is a budget measure that states it will provide \$3.4 million in 2011-12 to maintain shipping logistical support for Australia's Antarctic program. I understand that it had already been identified in the forward estimates. What exactly is that \$3.4 million required to do or what would not be possible without it?

Dr Wooding: The measure was one introduced in the 2007 budget. It was a measure to cover the increased cost of shipping. We have had in the Antarctic Division over the last few decades rising costs in some areas, particularly in relation to transportation. It would be one of the biggest growth areas. We use a lot of fuel and we use a lot of other products and services that rise at a fairly rapid rate. It was recognised by the government then that we needed some supplementation. That was the amount determined.

Senator BIRMINGHAM: Okay, Dr Wooding. So that amount was provided in 2007, 2008, 2009 and 2010—or an amount similar to that?

Dr Wooding: It is the same amount, yes.

Senator BIRMINGHAM: \$3.4 million?

Dr Wooding: Yes. I think it was originally.

Mr Sutton: In the 2007-08 budget, the AD received \$20 million over four years for increased logistics and shipping costs. Of that, \$1.4 million was made ongoing and \$3.4 million was made lapsing and provisional. In this budget, the \$3.4 million has been renewed.

Senator BIRMINGHAM: But the \$3.4 million has only been renewed for the next financial year—for 2011-12?

Dr Wooding: That is correct.

Senator BIRMINGHAM: What would be the impact on the division's operations without that?

Dr Wooding: We have to consider that we have a number of measures that would need to be renewed at the end of this coming financial year. We would have to assess what the impact of those is if and when we had to confront that. Obviously this funding is important in helping us meet these growing costs that we have been dealing with.

Senator BIRMINGHAM: This measure is supplementary funding that was due to lapse this year. It has now been continued, but for one more year only. You must have considered what the impact would be without it in terms of the shipping services that you operate in transport to and from Antarctica. What would you still be able to do or what would you not be able to do without this funding? At the start of answering that question, are you able to tell me the total transport shipping budget for the division?

Dr Wooding: Currently we spend approximately \$20 million to \$21 million a year on shipping.

Senator BIRMINGHAM: Okay.

Ms Maddock: I will add something. One thing that has been going on is that we have been, as is well known, rethinking the whole set of logistics we have. We have an old ship which at some stage will need to be replaced. We are thinking about the way the ships, the stations and the aviation work together. We have received a one-year extension of a whole range of funding to give us time to complete that work.

Senator BIRMINGHAM: So is that one year requested by the division, or did the division seek a further three- or four-year rollover of such provisions?

Ms Maddock: I am not sure. We have always been conscious that the logistics exercise is drawing to a close, so that one year has always been satisfactory from our point of view.

Senator BIRMINGHAM: Because we have, of course, as you have highlighted, a one-year allocation of \$11.7 million for the operation of the air link and then a separate one which is related to presence rather than transport for \$13.2 million. So all up they are a fairly significant component of the division's budget: it is nearly \$25 million in total costs out of a budget of \$145 million. So that is quite significant. We see in the forward estimates that that drops down to \$130 million in 2012-13. Are there any circumstances that you could see where the division could maintain its operations in terms of the work that has to be done without maintaining that budget of around \$145 million, whichever way it may be configured between air services and shipping services and so on?

Ms Maddock: Running an asset-heavy organisation is always going to need a goodly amount of funding, particularly as prices are increasing on those things. If we did not get it, we would need to rethink what we do. It is a decision for the government.

Senator BIRMINGHAM: The \$11.7 million for the air link is the entire cost of operating the air link, is it?

Ms Maddock: No, it is part of the cost. I will let Dr Wooding explain how all the numbers add up.

Dr Wooding: It certainly covers the cost of the plane and some of the other associated activities. We have an aviation system in Antarctica which is larger than just the A319. The total cost of that is more than \$11.7 million. In fact, I believe I was on one of the C212s when we were Antarctica. So we have two propeller planes—CASA C212s—the A319 and the ice runway. We also have helicopters and a range of other aviation services. So the air link is part of that. The \$11.7 million, I think, was originally intended to cover the additional costs, the net cost, of adding the air link into that mix of aviation services.

Senator BIRMINGHAM: Does that also include funding for the maintenance of the runway?

Dr Wooding: That was part of the additional net cost of bringing the air link into that overall aviation package.

Senator BIRMINGHAM: So, if the runway is to be maintained and an air link service of some description is to be maintained, once again there would need to be some supplementary form of funding beyond 2011-12?

Dr Wooding: Certainly that funding is an important component of the overall aviation budget that includes the air link, yes.

Senator BIRMINGHAM: Indeed, depending on the review that is undertaken, it could be that your request to government over the next year is in fact for capital funding to buy a new ship?

Ms Maddock: I will go back a little. A number of years ago, the Antarctic Division used to run three ships. We have moved to running a mixture of shipping and aviation. We think that is the way to go long term. Whatever happens, at some stage in the nearish future our shipping capacity will need to be renewed, yes.

Senator BIRMINGHAM: Shipping capacity will need to be renewed?

Ms Maddock: Did that make sense? We have a contract that goes to, I think, 2016. It is an old ship. If we are to get there by ship and supply stations, at some stage that will need to be renewed in some form.

Senator BIRMINGHAM: In terms of the \$13.2 million that is described as maintaining a presence, what does that supplementary funding support?

Dr Wooding: That is again, a bit like the \$3.4 million, related to a recognition by the government that our cost base has been rising very rapidly. It is a whole range of things, such as imported clothing. Once again, you probably saw some of this when you visited us. We have clothing. We have various sorts of equipment. We have a large range of things that we pay for that have risen at a very rapid rate in a global cost regime. The government recognised that, in order for us to continue the same outputs that we had been providing, we needed that supplementation to assist us with that. That was in the 2009-10 budget.

Senator BIRMINGHAM: We did hear some answers that surprised me earlier. Are you aware of whether there are any contingency funds or otherwise held to provide for the continued funding of the division beyond 2011-12 out to the levels that you currently are funded?

Dr Wooding: Two of the three measures that we have discussed are in the provisional forward estimates. So they are actually there provisionally, but they have only been formally renewed for one year. So that is part of it. That is probably the main issue to point out in relation to that.

Senator BIRMINGHAM: Can you help me out? Which two are those?

Dr Wooding: Sorry. Those two are the air link measure and the shipping support measure.

Senator BIRMINGHAM: And the other one also dates back to 2007?

Dr Wooding: The one that is called 'maintaining Australia's presence' was announced in the 2009-10 budget. The air link dates back to the same budget, I think, as the shipping support. I believe 2005-06 is the air link.

Senator BIRMINGHAM: In terms of this year's budget, there appears to be a reduction in expenses, going from \$149 million down to \$145 million during the course of the year. Is that purely attributable to depreciation?

Dr Wooding: Yes. When you look at that figure, there is around \$30 million—I can get the exact figure for you—out of the \$149 million. It is a total of \$46 million out of the \$149 million in recurrent funding as opposed to capital funding. That is actually expenses not requiring appropriation. So that is made up of two components. One component is depreciation and the other component is the approved departmental operating loss. That basically relates to the idea that with our buildings, if we were ever to leave Antarctica, we would need to make good what was there. So they are book entries rather than money that we are actually given to spend. For a range of reasons, our depreciation has been reduced in the budget this year, but it is not money that we actually receive. So it is ultimately a sort of book entry; that is the best way to describe it. So we are receiving approximately the same actual appropriation in cash terms that we received last financial year.

Senator BIRMINGHAM: Is the division subject to the efficiency dividend and the increased efficiency dividend?

Dr Wooding: Yes, it is part of the departmental expenses for the department. Therefore it is subject, like the rest of the department, to the efficiency dividend.

Senator BIRMINGHAM: That is what I would have thought: it does not appear. If anything, in other parts of the department, it seems as if program support and so on is affected by a reduction whereas, ignoring these one-off issues, the Antarctic Division's program support budget appears to keep nudging up by small amounts.

Dr Wooding: Mr Sutton can give an answer to that one.

Mr Sutton: The outcome 3 budget has been adjusted for the parameter adjustment for the efficiency dividend, but it did not put us into a negative. So we have not gone backwards from last year. We really have not gone forward; that is the answer.

Senator BIRMINGHAM: You just had a higher annual rate of growth previously than, presumably, the other sections of the department?

Mr Sutton: I think we also had some minor factors in 2011-12 from previous budgets that were impacting that.

Senator BIRMINGHAM: Thank you. I want to shift to some policy issues. I have previously asked about global policies and policies developed as part of treaty cooperation in regard to tourism and visitation to Antarctica. I gather that there was some work taking place at that level. Ms Maddock, are you or others able to update me with regard to what policies have been put in place through treaty discussions and what the continued growth in numbers of tourists to Antarctica is?

Ms Maddock: I will quickly find the growth in numbers, because they are probably a little out of date. There were 21,622 passengers who landed ashore in 2009-10. That was about 20 per cent down on the previous season. Lots of people go without landing because they are on

bigger ships and both the Antarctic Treaty parties and the shipping association have agreed that large ships will not land people. There were about 15,000 people on that in 2009-10. The big ones do not go for very long. The ones that put people ashore are now subject to a range of restrictions, some of which I outlined before. If you go ashore, you have to do proper environmental impact statements beforehand. You go ashore in groups of no more than 10 people. You do not have more than one ship in an area at one time so you are not putting too much pressure on it. You have to have proper insurance and you have to agree that you will bear the insurance costs of damage, including environmental damage, if anything happens as a result of the cruise ship.

The other big development— but it is not for us; it is for, I think, AMSA—is the development of the polar code in maritime law. It goes to questions of what ships need to have to be travelling below 60 degrees. That goes to things like the fuel they can carry, the way in way they have lifeboats and a range of other things. The polar code is obviously for both poles. It is being negotiated through the maritime organisations, which we do not represent, but we obviously have close relationships with them.

Senator BIRMINGHAM: On notice, if you could provide me with a bit of a summary of the conditions and safety arrangements that have been put in place as part of the tourism management strategies through the treaty process, that would be helpful. Thank you. More broadly, in terms of the treaty negotiations and discussions, what other immediate threats or challenges have been identified to Antarctica?

Ms Maddock: From tourism?

Senator BIRMINGHAM: No, generally. What are the priority issues?

Ms Maddock: It depends on which country you are from. The Europeans have one set of issues and we have sometimes slightly different ones. We have put a lot of effort in and think that the priority is about working to ensure that there are decent environmental impact statements, that there are specially protected areas and that the terms and conditions under which people access those specially protected areas or specially managed areas—they are two different things—are clear and monitored and maintained. Australia's view has been that that is where our effort is best to be put.

Senator BIRMINGHAM: And how does our priority fit with the agenda and program of the treaty system and the overall agreement of the countries involved?

Ms Maddock: It is pretty good. We have been having particular success—that is one way to put it—or resonance with countries that are near us in one of our stations of Davis, which includes the Indians, the Russians and the Chinese, in terms of trying to codify, which we have agreed on, the specially protected areas around there. There has been pretty good cooperation. It is one of those useful little examples where countries work together very effectively to do that. Some of the newer nations into the Antarctic movement, such as Korea, which is building a new station, have been quite keen to ensure that they are doing things in an environmentally sensible and sensitive way. So that is going reasonably well.

Senator BIRMINGHAM: Thank you. When is the next major meeting or forum of the Antarctic Treaty?

Ms Maddock: It is the Antarctic Treaty meeting in Buenos Aires starting on 20 June.

Senator BIRMINGHAM: Okay. What are the lead items for decision at the 20 June meeting—or is that agenda still to be determined?

Ms Maddock: I retire on the 16th, Senator. Can I come back to you on what they are, because I just do not have them with me at the moment.

Senator BIRMINGHAM: Certainly, yes.

CHAIR: This is your last estimates.

Senator BIRMINGHAM: If you could provide those on notice to us, that would be appreciated.

Ms Maddock: Yes, sure.

Senator BIRMINGHAM: That is all I need, unless other senators have anything. Ms Maddock, thank you for handling questions in this role and, I think, prior roles.

Senator Conroy: Absolutely. She has a long history.

Senator BIRMINGHAM: Indeed. I am sure there were questions from Senator Conroy in the past as well.

Senator Conroy: Only in the politest of manners.

Senator BIRMINGHAM: Indeed.

CHAIR: Ms Maddock, I am sure that, on behalf of the whole committee, we wish you well in your retirement. You did look relaxed. Your colleagues looked a bit uptight.

Ms Maddock: Thank you, Senator.

CHAIR: It has been a good finish to a very illustrious career.

Senator BIRMINGHAM: Indeed. I guess it would be a tad remiss not to ask whether a replacement has been appointed, which is perhaps a question for Dr Grimes.

Dr Grimes: Yes, we are going through that process as we speak. There has been an advertised process and we are working through that at the moment. We are indeed feeling a little nervous about losing Lyn to retirement shortly, but I am sure we will have a very good replacement.

Senator BIRMINGHAM: I trust someone very good is off to Buenos Aires in June whilst you probably travel to some warmer climes somewhere.

Ms Maddock: I will.

CHAIR: Good luck. That concludes today's program. The committee will continue its examination of this portfolio with the NBN tomorrow morning. I thank the minister and officers for their attendance. Senators are reminded that written questions on notice should be provided to the secretariat by Friday of next week. Senator Fisher has proposed that we accept the document from Senator Boswell. I declare that carried. Thank you. Goodnight.

Committee adjourned at 22:30