



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATION, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

Consideration of Additional Estimates

TUESDAY, 19 FEBRUARY 2002

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SENATE

**ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY
AND THE ARTS LEGISLATION COMMITTEE**

Tuesday, 19 February 2002

Members: Senators Bartlett, Calvert, Eggleston, Lundy, Mackay and Tchen

Senators in attendance: Senators Allison, Calvert, Carr, Eggleston, Lundy, Mackay, McGauran, McLucas and Tchen

Committee met at 9.13 a.m.

ENVIRONMENT AND HERITAGE PORTFOLIO

In Attendance

Senator Hill, Minister for Defence

Department of the Environment and Heritage

Mr Roger Beale, Secretary

Environment

Ms Anthea Tinney, Deputy Secretary

Mr Stephen Hunter, Deputy Secretary

Mr Howard Bamsey, Deputy Secretary

Environment Quality Division

Mr Phillip Glyde, First Assistant Secretary

Ms Kathleen Mackie, Assistant Secretary, Atmosphere and Sustainable Transport Branch

Mr Graeme Marshall, Acting Assistant Secretary, Atmosphere and Sustainable Transport Branch

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

Mr Malcolm Forbes, Assistant Secretary, Sustainable Industries Branch

Approvals and Legislation Division

Mr Gerald Early, First Assistant Secretary

Ms Stephanie Martin, Assistant Secretary, Policy and Compliance Branch

Mr Tim Kahn, Acting Assistant Secretary, Policy and Compliance

Australian And World Heritage Division (including Australian Heritage Commission)

Mr Bruce Leaver, First Assistant Secretary, Australian and World Heritage Division and Executive Director Australian Heritage Commission

Dr Barry Reville, Assistant Secretary, Identification and Conservation Branch and Deputy Executive Director, Australian Heritage Commission

Mr Kevin Keeffe, Assistant Secretary, World Heritage Branch and Deputy Executive Director, Australian Heritage Commission

Ms Alison Archer, Director, Heritage Assistance and Projects

Natural Heritage Division

Mr Max Kitchell, First Assistant Secretary

Ms Alex Rankin, Assistant Secretary, National Action Plan for Salinity and Water Quality

Ms Chris Schweizer, Assistant Secretary, Natural Heritage Trust and Biodiversity Policy

Ms Rhondda Dickson, Assistant Secretary, Natural Resource Management Branch

Ms Anne Marie Delahunt, Assistant Secretary, Wildlife Australia Branch
Mr Charles Willcocks, General Manager, Landcare and Regional Capacity, Agriculture,
Fisheries and Forestry

Marine and Water Division

Dr Conall O'Connell, First Assistant Secretary,
Ms Alison Russell French, Assistant Secretary, Marine Coasts and Wetlands Branch
Mr Mark Flanigan, Acting Assistant Secretary, Marine Conservation Branch
Mr Mark Tucker, Assistant Secretary, Water Branch

Strategic Development Division

Mr David Anderson, First Assistant Secretary, Strategic Development Division
Mr Mark Hyman, Assistant Secretary, International and Intergovernmental Branch
Mr Peter Woods, Assistant Secretary, Corporate Relations and Education Branch
Mr Dale Starr, Manager, Public Affairs Section, Corporate Relations and Education Branch
Mr Con Boekel, Assistant Secretary, Environment Information and Technology, Strategies
Branch

Policy Coordination Division

Mr Robert Butterworth, Chief Finance Officer
Mr Patrick McInerney, A/g Assistant Secretary, Policy and Accountability Branch
Mr Stephen Mayes, Assistant Secretary, Finance

Australian Greenhouse Office

Ms Gwen Andrews, Chief Executive
Dr Colin Grant, Deputy Chief Executive
Dr Diana Wright, Senior Executive Manager, Sustainable Energy Group
Mr Gene McGlynn, Executive Manager, Sustainable Energy Group
Mr Ian Carruthers, Senior Executive Manager, Greenhouse Policy Group
Ms Jo Mummery, Executive Manager, Green Policy Group
Dr David Harrison, Senior Executive Manager, Partnerships and Market Policies Group
Mr James Shevlin, Acting Executive Manager, Partnerships and Market Policies Group
Mr Richard De Ferranti, Manager, Policy and Planning
Mr David Clarkson, Manager, Corporate
Mr Mark McGovern, Finance Manager

Great Barrier Reef Marine Park Authority

The Hon. Virginia Chadwick, Chair
Mr John Tanzer, Executive Director
Mr Gregor Manson, Executive Director
Mr John Barrett, Finance Manager

CHAIR—The minister is a little delayed but, with the agreement of the assistant secretary of the department, we will now proceed. I would like to welcome Ms Anthea Tinney, who is representing Mr Roger Beale, the secretary of the department, and Senator Kim Carr, who I believe is now the environmental spokesman for the opposition in the Senate.

I declare open this public hearing of the Senate Environment, Communications, Information Technology and the Arts Legislation Committee considering the 2001-02 additional estimates for the Environment and Heritage portfolio. On 13 and 14 February 2002, the Senate referred to the committee particulars of proposed additional expenditure in respect of the year ending 30 June 2002, and related documentation for the two portfolios of

Communications, Information Technology and the Arts and Environment and Heritage. As I have said, we will be today examining the Environment and Heritage portfolio. The committee is required to report to the Senate on 13 March 2002 and has determined that the deadline for answers to questions placed on notice at the hearing today is the close of business on 27 March 2002. It was agreed yesterday that witnesses would have until Thursday afternoon to put in questions on notice.

The minister will be Senator Robert Hill, who was formerly the Minister for the Environment and Heritage, and he will be along shortly. Before we move to questions, I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. I also remind officers that they will not be asked to express a personal opinion on matters of policy and shall be given reasonable opportunity to refer questions asked of them to superior officers or to a minister. Witnesses are reminded that evidence given to the committee is protected by parliamentary privilege. I also remind witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate.

I draw witnesses' attention to the resolution agreed on by the Senate on 25 February 1988, 'Procedures to be observed by Senate committees for the protection of witnesses', and in particular to resolution 1(10) which states in part:

Where a witness objects to answering any question put to the witness on any ground, including the ground that the question is not relevant or that the answer may incriminate the witness, the witness shall be invited to state the ground upon which objection to answering the question is taken.

Resolution 1(16) states:

An officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy, and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister.

At Senator Bolkus's request the committee has agreed to table an explanation of the funding of the portfolio's ocean policy prepared for him by the National Oceans Office. Agencies will be called as per the agenda and we will begin with officers from the Great Barrier Reef Marine Park Authority. I welcome the minister, Senator Robert Hill.

[9.19 a.m.]

Great Barrier Reef Marine Park Authority

Senator CARR—I begin by saying that I have recently been given the job of representing the Labor Party in the Senate on environmental matters and, as I am new to the job, it provides me with an opportunity to perhaps look at some of these matters afresh. Nonetheless, I will be deferring this morning to my colleague Senator McLucas, whose knowledge of these matters is considerably greater than mine. I start, however, by saying that my reading of the Portfolio Additional Estimates Statements leaves me, frankly, a little confused. I am of the view that these documents are supposed to be clear and are supposed to provide information as to the operations of the department. It is quite a difficult task to read this and understand what the department is actually doing. This document is not clear. Take, for instance, the question of the agency statements. Could one of the officers draw to my attention where I might find the agency statement for the Great Barrier Reef Marine Park Authority?

Mrs Chadwick—We did not get any additional estimates.

Senator CARR—Therefore you are not required to be in the book. Is that the explanation? I would normally have reason to expect it to be in the book.

Mrs Chadwick—If we get additional estimates we would—

Senator CARR—In the next round I can expect a statement on your activities in the PBS. Is that right?

Mrs Chadwick—If we receive additional estimates, you certainly will.

Senator Hill—If you remain.

Senator CARR—Senator Hill, are you suggesting perhaps there is a question as to whether or not the authority will remain?

Senator Hill—I am sorry, I am just teasing.

Senator CARR—Can I begin with the officers of the Great Barrier Reef Marine Park Authority. Could you explain to me the circumstances around the appointment of Ms Fay Barker to the board?

Mrs Chadwick—Yes, I certainly can. We had a vacancy on the Great Barrier Reef Marine Park Authority board which was created by the ill health and resignation of the previous community representative from Townsville, John Lyons. The minister at the time, Senator Hill, considered the appointment of a new community representative and in fact, as I understand it, approached Fay Barker, a well-known businesswoman from Townsville and a woman who was very much involved in a wide range of community activities. She accepted the appointment and was duly appointed.

Senator CARR—Can you provide me with a little bit more detail about Ms Barker? As I say, I am new to the game and I am wondering who Ms Barker is.

Mrs Chadwick—I have had the privilege of getting to know Fay Barker myself since her appointment, although I must say I had met her in the course of both my marine park duties and on civic occasions in Townsville. I do not have detailed notes in front of me, but my recollection is that she served on the James Cook University Council; she had been the Chair of the Townsville Port Authority; she had been the Chair of Townsville Enterprise, which is somewhat similar to a chamber of commerce, in Townsville; and she is deeply involved in a range of community and cultural activities, in particular the chamber music group. I do not wish to diminish her community activities, but they are the ones that spring to mind. I know that she has been in Townsville for many years. She and her husband ran a successful business in Townsville and beyond. I must say I think it is an eminently sensible and commendable appointment made by Senator Hill and, from my perspective, I am rather taken by the fact that, of the four board members of the marine park authority at the moment, three are women. I find that very pleasing.

Senator CARR—As a former Liberal government minister, you would also be aware of Ms Barker's role as a Liberal Party candidate, would you not?

Mrs Chadwick—Yes. My understanding is that she was the Liberal Party candidate for the state seat of Townsville. That in no way diminishes the comments I made earlier about her community activities.

Senator CARR—I am just wondering why that did not figure in all the community activities that you were referring to earlier.

Mrs Chadwick—Having been a Liberal member of parliament, some people in the community may dispute whether that is civic minded and a community activity as well, given the views some people have of members of parliament.

Senator CARR—When was she last a candidate for Townsville?

Mrs Chadwick—I honestly do not know, but I suspect it must have been in the last state election. I think it probably was the only occasion.

Senator CARR—So quite recently?

Mrs Chadwick—The last state election in Queensland was a year ago.

Senator CARR—Did the department recommend suitable candidates for the position?

Ms Tinney—No, the authority does not report through the department.

Senator CARR—It was entirely the authority's decision?

Ms Tinney—It was within the authority's gift.

Mrs Chadwick—The Great Barrier Reef Marine Park Authority is a separate statutory authority and reports to the minister and to its board. The appointment of a member of the marine park authority board is the responsibility of the minister of the day.

Senator CARR—Senator Hill, you were the minister of the day. On what basis did you make this appointment?

Senator Hill—On my assessment that she was eminently suitable for the appointment.

Senator CARR—Did you have advice from anyone other than GBRMPA?

Senator Hill—Yes, I canvassed widely.

Senator CARR—How widely would that be? When you say widely, what does that mean?

Senator Hill—I made my own inquiries as to who in the Canberra region—sorry, did I say Canberra?

Senator CARR—You did say Canberra.

Senator HILL—We were replacing somebody from Townsville. It had been my view that if we could find another person in Townsville there was merit in that. There has always been something of a sense up there that GBRMPA is not part of their community, at least in its board structure. We have been trying to change that impression because we think a local commitment to GBRMPA is very important in terms of its sustainability. There is a statutory prerequisite, as you might be aware. We had to meet those statutory qualifications. We wanted somebody who was committed to the goals of GBRMPA. On what I had learnt from my visits to the region and canvassing widely from sources that are fair and reasonable, she struck me as ably qualified.

Senator CARR—Where is the head office of GBRMPA?

Mrs Chadwick—In Townsville, I am delighted to say.

Senator CARR—But, Minister, you are suggesting to us that Townsville feels as if they are not really part of the authority's work.

Senator Hill—Traditionally the board and authority members tended to be appointed from elsewhere. In Townsville they even talk of Brisbane as elsewhere.

Senator CARR—A long way away. I know.

Senator Hill—We have been trying to get a stronger feeling that GBRMPA was really part of the local community as well. It is a national asset and a local asset as well.

Senator CARR—Absolutely. That is why I am surprised that you feel it necessary to have such a parochial outlook. You have got a national head office in the city of Townsville, yet you feel the need to also have a board member from Townsville that just so happens to be the Liberal Party candidate at a recent state election. I am just trying to follow the logic there. Have I missed something that you perhaps can draw my attention to?

Senator Hill—I think you have missed her competency. I do not think you are interested in looking at that. That does not suit your objectives.

Senator CARR—Who else was considered?

Senator Hill—A number of people, but I am not prepared to go into other names.

Senator CARR—Was there a long short-list? How long was the short list? Perhaps you can tell me that.

Senator Hill—I considered a number of names.

Senator CARR—You cannot say how many?

Senator Hill—No.

Senator CARR—Were they all from Townsville?

Senator Hill—I was seeking somebody preferably from the Townsville region.

Senator CARR—What particular experience did you think that Ms Barker, apart from her Liberal Party candidacy, would bring to this role that would assist the authority?

Senator Hill—I did not think that her Liberal Party candidacy was particularly relevant, to be frank.

Senator CARR—What other experience did you think—

Senator Hill—You are asking me to go on memory, but she had been on the Townsville Port Authority; she had a business background within the Townsville region; she met, as I said, the statutory requirements; and, furthermore, she seemed to be ably qualified in terms of general qualities that we were looking for. We wanted somebody who had an empathy with the task, who was community minded, who had shown that they had a competency to see the bigger picture whilst at the same time contribute to a range of intra-agency issues that seemed to be constantly before the authority.

Senator CARR—When was the decision made to appoint her?

Senator Hill—What do you mean?

Senator CARR—When did you make the decision? Can the department advise us on the date on which you made the decision?

Senator Hill—I do not know the day. We would have to get that.

Senator CARR—The department will?

Senator Hill—No, it is a cabinet decision in the end. I made a recommendation to the government and cabinet endorsed it.

Senator CARR—When was that?

Senator Hill—It was last year some time.

Senator CARR—Precisely, though.

Senator Hill—I beg your pardon.

Senator CARR—I would like to know the precise date. On what date did the department advise the minister of the recommendation of the authority?

Ms Tinney—We would have to check those details. We do not have them with us.

Senator Hill—I can get you the date of the cabinet approval. And then it had to be gazetted, didn't it?

Mrs Chadwick—Yes.

Senator Hill—So that is on the public record.

Mrs Chadwick—It may be of assistance to recall my earlier comments. The recommendation to the government on an appointment is within the right of the minister. It is fair to say that, in the wide discussion on who may be an appropriate person, I certainly made comment on some of the names that were being considered, but at the end of the day it is not a GBRMPA recommendation; it is an appointment recommended to the government by the minister. That is his right, and he exercised that right.

Senator CARR—I do not dispute this minister's right to make the appointment; I am interested to know the processes of government. This is a very serious appointment. What is the budget for the authority at the moment?

Mrs Chadwick—It is about—

Mr Tanzer—Total revenues for the authority were \$31.75 million.

Senator CARR—So it is an authority that is expending \$30-odd million of public moneys. This is a board that oversees your work. I think it is a matter of considerable—

Senator Hill—It is what?

Senator CARR—It is a board that oversees the authority's work, expending \$30 million of public moneys. These are obviously serious questions.

Mrs Chadwick—Indeed.

Senator CARR—How many people did you consider?

Mrs Chadwick—It is not a matter of me considering it.

Senator Hill—The government considered.

Senator CARR—But you recommended to the minister?

Mrs Chadwick—No.

Senator CARR—One name?

Mrs Chadwick—No. It is the right of the minister to appoint members of the board of the authority. There was no formal recommendation from staff of the authority. It is the minister's appointment.

Senator CARR—So where did the recommendation come from? We have just heard the department—

Senator Hill—The recommendation came from me.

Senator CARR—You acted entirely on your own?

Senator Hill—No, I said I canvassed widely.

Senator CARR—But there was no advice from the authority on the composition of the board?

Senator Hill—If you think it is a good idea for a board to advise on who ought to be on the board, so be it. My responsibility was to make a recommendation to government on someone I thought was able to do the job, and I recommended this particular woman. As I understand it, it has been widely applauded, except in Labor Party circles, of course: they want to put politics ahead of the public interest.

Mrs Chadwick—Could I repeat that Fay Barker has previously been, as I recall, the Chair of the Townsville Port Authority, which is both a relevant and an extraordinarily important position. She has been the Chair of the Townsville Enterprise group. She has been widely involved in a whole range of activities. It might also assist to know that she is one of four board members. The other board members are me, as chair; the head of the Queensland Premier's Department, on the recommendation of Premier Beattie to the minister; and an indigenous representative who would be well known to you, and particularly to Senator McLucas, since she lives in Cairns, and that is Dr Evelyn Scott. While I understand your interest in the new appointment of Fay Barker, there are a wide range of views and geographical areas represented on the board.

Senator CARR—That is why it is important to establish the processes that are undertaken for the appointment of a new board member. Naturally enough, you must have been aware that a person that was a Liberal Party candidate in a very recent state election would draw public attention. That is why I am concerned to establish that there was in fact due process. All I have heard so far is that the minister chose a name, presumably on his own. That is what I have been told here. The department did not recommend. They said it was your responsibility, Minister.

Mrs Chadwick—Yes, we are—

Senator CARR—And you are telling us you did not recommend. Senator Hill, is it the case that you chose this person on the basis that you felt that she was the only one for the job?

Senator Hill—No, I thought she was the best one for the job.

Senator CARR—Where did you get the list from?

Senator Hill—I consulted widely.

Senator CARR—Your office drew up the list? Is that the case?

Senator Hill—All I am going to say is that I consulted widely. I made a recommendation to government, and government accepted it. If you think that she is not qualified for it, so be it. We are very pleased with the appointment. I think it is in the national interest. If it was not for the fact that she apparently was a Liberal Party candidate, you would not be raising it. You would say she was eminently suitable for the job.

Senator CARR—I do not know what I would be raising if she was not a Liberal Party candidate. As you say, that is a hypothetical proposition.

Senator Hill—You would have no interest in the subject.

Senator CARR—She was a Liberal Party candidate.

Senator Hill—And you think that disqualified her.

Senator CARR—I just think it is a reason—

Senator Hill—I do not. If she was a Labor Party candidate, I would not think that disqualified her either.

Senator CARR—I am pleased to hear it. How many Labor Party candidates have you appointed in your term as minister?

Senator Hill—I have supported people with close associations with the Labor Party in a whole range of appointments.

Senator CARR—Labor Party candidates.

Senator Hill—A whole range of appointments.

Senator CARR—This announcement was made on 11 October last year. Is that the case?

Senator Hill—I do not know.

Senator CARR—Mrs Chadwick, is that right?

Mrs Chadwick—I do not have the date in front of me, but I am happy to check it. If you have it in front of you—

Senator CARR—I will just ask the officers. Was this—

Ms Tinney—We are checking the date of the cabinet approval. We will get that information for you also.

Senator CARR—We might have to come back to this, but while we are here can I just ask you this. You cannot confirm that it was 11 October?

Mrs Chadwick—It would be about the period, but I am happy to check.

Senator CARR—We will come back to that when we have further information.

Senator McLUCAS—I want to raise the issue of the crown-of-thorns starfish. In a number of media releases and correspondence, the figure of \$13 million has been mentioned as apparently having been spent on crown-of-thorns starfish research since 1985. That is the commonly used phrase. Can I get a list—and I am happy to have this on notice—of when the research was conducted, who conducted it and what outcomes we have from that \$13 million expenditure.

Mrs Chadwick—I am happy to do that. It will include a range of areas: internal research and monitoring; research done by others, either funded or part funded by GBRMPA; and work, both broad scale and fine scale, of the CRC Reef. Obviously, I am not sitting here with the list of 15 years of research in my head, but I am happy to provide that.

Senator McLUCAS—I understand that the \$350,000 that is going to be provided by GBRMPA to the COTS removal program is to come from your existing budget and that there is no new appropriation for that money.

Mrs Chadwick—Yes.

Senator McLUCAS—What program of GBRMPA activities is that going to come from?

Mrs Chadwick—As you are aware, GBRMPA is unfortunate enough to feature in additional estimates, so we will just be good housekeepers and manage within our existing budget. I am hoping that no particular program has to be cut.

Senator McLUCAS—What consultation was there with GBRMPA prior to the announcement that GBRMPA was going to fund it?

Mrs Chadwick—There was extensive consultation across a range of areas. There was consultation with the Queensland government, which had also made a commitment. There

was consultation with the tourism industry, in particular AMPTO. There was consultation with the minister, then Minister Hill. And there was consultation with the tourism department—Industry, Science and Tourism or whatever it is called—here in Canberra, where the then minister, Ms Kelly, had a particular interest in it. So there was quite wide and extensive consultation as well as consultation with others involved, for example the CRC, where they were providing technical and scientific advice to the tourism industry.

Senator McLUCAS—I think you misunderstand my question. I was asking what consultation there was between the department, the minister's office and GBRMPA before the announcement that the \$350,000 per annum was going to come out of your budget.

Mrs Chadwick—There was extensive consultation, as I understand, between the minister, Minister Hill, and Minister Kelly about a joint agreement on sharing the cost of funding to match the Queensland money, and there was agreement that it would come from within the existing budget portfolio. So in a sense that is no surprise to GBRMPA or to Environment Australia.

Senator McLUCAS—There was a period of time, though, would you agree, while there was confusion as to whether it was going to come out of EA or GBRMPA?

Mrs Chadwick—I would, frankly, like to think that confusion had not been resolved, but that is a matter for different debates elsewhere.

Senator McLUCAS—Earlier you said that you were hoping that it will not impact on activities of GBRMPA and you were not able to explain to me from which program it was going to come. I would like a bit more information about where that money is going to come from. It is a fairly considerable amount of money, given the size of your budget.

Mrs Chadwick—At the moment, we have made but one initial payment. I will check it but \$38,000 or \$35,000 springs to mind. We will be making periodic payments. At the moment, it has not impacted directly on a particular program, and it would be my fervent wish that, if it is in fact GBRMPA that has to find the rest of this money rather than the broad portfolio, I can minimise any downside on existing programs, which would be very difficult for us.

Senator McLUCAS—So you have not attributed it to one line item in your budget?

Mrs Chadwick—Not at this stage, but if it is impossible for us to share this cost across the broader portfolio then no doubt in the next budget it will have to be a line item.

Senator McLUCAS—That explains in your letter to me of 16 January the term 'underwritten'. So there are still ongoing discussions between GBRMPA and EA about who is going to pay this money. Is that correct?

Mrs Chadwick—Yes, we are committed—the government is committed—to assist the tourism industry, and that is a good decision for the tourism industry.

Senator McLUCAS—Correct.

Mrs Chadwick—It is how we in fact find that money with least pain to ourselves and the broad portfolio. That is a matter for ongoing discussion.

Senator McLUCAS—Thank you. The current commitment is for two years. Would you agree that the issue will go on after that period of time, that there will be a requirement by AMPTO for support for their operations?

Mrs Chadwick—In general terms, AMPTO, while not making a formal request or anything of that nature, has in fact spoken generally of an ongoing need. It is early days yet, as we know historically crown-of-thorns starfish tend to go in a 15-year cycle. We know that,

despite the difficulties that are still being faced in the Cairns sector which you would be well aware of, the infestation is moving further south. It is currently off Townsville and there is evidence of outbreaks in the Whitsundays. If in fact it followed the traditional pattern, there should be a significant gap between this infestation and the next infestation. Our concern and the concern of the tourism industry, as yet unanswered by scientists, is whether there has been a change in that pattern. I am sorry, I do not think I or anybody else could give you a definitive response on that.

Senator McLUCAS—And there is some new evidence to say that it is in fact a seven-year, not a 15-year cycle?

Mrs Chadwick—Yes. There is a lot of discussion but no proof.

Senator McLUCAS—I agree. Is GBRMPA, CRC Reef or any other agency that you are aware of doing any research into alternative removal strategies?

Mrs Chadwick—I would need to check whether there is active research being undertaken at the moment. There has been quite a lot of interest in whether there may be attractants that could encourage crown of thorns to congregate so their capture was easier. There have been some quite remarkable suggestions that we could find the source reef of the crown of thorns and perhaps eliminate it at source. I know that this is a particular passion of the Queensland minister, Mr Wells. There are many suggestions on how we may develop alternative methodologies to address the question. I am not altogether sure how feasible they are. I am happy to check what science is currently being undertaken as opposed to talked about.

Senator McLUCAS—Finally on the COTS issue, you would be aware that AMPTO, the organisation doing the removal work, has been charged the environment management charge. In your letter to me of 16 January you basically say there is no discretion for GBRMPA not to charge AMPTO the EMC for visiting the reef. Do you find that quite a difficult policy to administer, given that these people are actually out there with community and government money delivering a service to manage a national asset?

Mrs Chadwick—Without trying to sound unrealistically bureaucratic, the regulations are the regulations. I really think, with great respect, that there are bigger questions facing tourism operators in the crown-of-thorns eradication than a fairly minuscule amount that is being paid as EMC. The EMC coming back to the Great Barrier Reef Marine Park Authority pales into insignificance in my mind as I try to find the \$350,000 to assist the project.

Senator McLUCAS—I understand. How much EMC was paid by AMPTO in the last financial year?

Mrs Chadwick—I could not tell you, but I am happy to chase that. It is a very modest amount. It pales into insignificance compared to the assistance that is coming from both the state and the Commonwealth governments.

Senator McLUCAS—That is all I wanted to ask on the crown-of-thorns starfish, but I have other matters to talk with GBRMPA about.

Senator ALLISON—I would like to ask some questions. I wonder whether the Great Barrier Reef Marine Park Authority has had any involvement in the CRC investigation into water quality pressures from sugar cane farming on the waters of the Great Barrier Reef?

Mrs Chadwick—Not only have we had a commitment within GBRMPA itself to the issues of research and monitoring of water quality as they affect the Great Barrier Reef but we are the single greatest financial contributor to the CRC Reef. As a result, we have been very strong in encouraging them to take an interest in water quality matters in the Great Barrier

Reef. You would be well aware that there is currently something of a debate going on between some scientists. I can assure you that the Great Barrier Reef Marine Park Authority stands by the work of the scientists of the CRC Reef. They have put out a joint statement saying that they do believe that there is cause for concern on water quality, and they stand by the efficacy of their research.

On the CRC Reef web site there is an excellent summary, or precis, of research that has been undertaken and that is known. That collation was done at the request of the then minister, Robert Hill, who wanted—in simple terms—to know what we know and where to go and find the current research. So that is in place. As you know, we within the authority also have collated much of the research and from that have presented water quality targets for the 26 catchments of the Great Barrier Reef for the ministerial council. However, I am well aware that there are some people within the community, and some scientists, who are casting doubt upon the quality or efficacy—or, in some cases, even the existence—of this research. I reject that totally.

Senator ALLISON—Can I draw your attention to the current CRC draft report which, I gather, has been released to some people at least. This is the one which looks at the questions: is water quality deteriorating in sugar catchments; what impact is cane growing having on water quality in rivers and streams; and what impact is cane growing having on the Great Barrier Reef. It is my understanding that the drafts are already out on that. What is your understanding as to who commissioned that report?

Mrs Chadwick—The comments I made earlier referred to CRC Reef. The matter that you are referring to is a different CRC. It is CRC Sugar—I think that is its proper title. I have not seen the reports of CRC Sugar that relate to water quality. However, like many people, I have in fact seen the precis or summary document that relates to those reports. While I do not have it in front of me, to the best of my recollection those headings that you read out are in fact the headings of the report, which to date has not been made public by CRC Sugar. But a precis of the report is currently fairly widely available.

Senator ALLISON—If I can come to that point, what is your understanding of the organisation which commissioned that report?

Mrs Chadwick—It was CRC Sugar, on which industry is well represented.

Senator ALLISON—I have a memo from CRC—I think it is on sustainable sugar production; that is what it is called—and they said in July 1999 that Canegrowers requested information from CRC Sugar on those topics that I mentioned. Is that your understanding, too, that this has essentially come from the cane growers themselves?

Mrs Chadwick—That is certainly my understanding.

Senator ALLISON—So you would be surprised to have heard this week that the cane growers, I think on 13th of this month, said:

We did not commission any CRC Sugar report on the off farm effects of cane growing.

Mrs Chadwick—I was surprised by that.

Senator ALLISON—What is your view of this, I guess we can call it, attempt to withhold that report from public airing?

Mrs Chadwick—I am not a member of CRC Sugar nor a member of the Canegrowers Association but, given the current wide and, I think, healthy vigorous debate associated with water quality issues in the Great Barrier Reef, it is important that all reports and science be made available because then we can hopefully put to rest any lack of clarity on the importance

of the issues. I would be urging anyone—whether it is CRC Sugar or any other organisation—that has relevant research to put it into the public arena. I think that would be healthy in the debate on water quality.

Senator ALLISON—From what you have seen of this preliminary report, the material which is on the web site and the research that has been done by CRC Reef and others, would you say that it is fair to suggest that there have been impacts on the estuaries and on rivers from sugarcane growing in this area?

Mrs Chadwick—I am not an expert in the area of estuaries and rivers, but others advise me that the available research points to that. My responsibility is to the lagoonal area of the Great Barrier Reef, to protect the marine park and the World Heritage values. It is my belief—and the belief of GBRMPA—that there are serious impacts and that those impacts are escalating and that if we do not make a move to at least halt the rate at which those impacts are escalating then we are failing in our duty as both managers and protectors of the World Heritage.

The water quality targets, which were launched last year by Minister Hill—we were commissioned at the request of ministerial council to do this work—are modest targets. In general terms, they suggest that we halt the rate at which nutrients, chemicals and sediment are running off into the Great Barrier Reef area and they suggest that over a decade we try to halve the level of pollutants and sedimentation coming into the GBR. It may sound courageous, but I actually think it is a fairly modest goal to say why don't we try and halve the run-off in a decade.

Senator ALLISON—Minister, is this something which requires some ministerial intervention? It is clear that the Canegrowers Association is taking a fairly hard line on this issue in suggesting to people that there is no problem for the Great Barrier Reef in sugarcane run-off. To your knowledge, has Minister Kemp taken up this issue with the cane growers?

Mrs Chadwick—My understanding is that it is the Minister for Science who is the minister responsible for CRCs and, hence, it would perhaps be—

Senator ALLISON—I will ask the Minister for Science, but it seems to me to be an environmental issue as well. It is an adverse report, Minister.

Senator Hill—The best thing is that we draw Minister Kemp's attention to the points that you have made. I am being advised here that the CRC says that this report does not exist and that is why it is not releasing it.

Senator ALLISON—Not only that, Minister, it says it did not commission it and it clearly did.

Senator Hill—We will draw it to Minister Kemp's attention because the issue of run-off is a vitally important one in terms of the health of the Great Barrier Reef. That is why we put in the process of setting standards and of, hopefully, proceeding to seek cooperation from the Queensland government in developing the programs necessary to achieve a better outcome.

Senator ALLISON—I have some questions for the other minister related to the sugar industry assistance package. I realise that is not your role, but I wonder if you can comment on the process so far in relation to the development of structural reform proposals. Has the authority been involved in this process at all? Are you involved in some of the working groups that are being set up?

Mrs Chadwick—Peripherally we are, but the core responsibility for NHT2 and the sugar package lie elsewhere. Environment Australia has, of course, been very closely involved in

the development of the Natural Heritage Trust second round funding. Perhaps it might be more helpful to direct the questions there. I do know, however, that officers of GBRMPA have made contributions—formal and informal—to the deliberations around the sugar package and NHT2 funding.

Senator ALLISON—From your perspective, how is progress on this issue? If I can suggest, it seems to have been slow to say the least. Can you see any reason why this might be the case?

Mrs Chadwick—No. I certainly would not be qualified to comment on the speed, or otherwise, of the process. Speaking purely from the marine park authority's point of view, with the release of our recommended water quality targets last year, we at GBRMPA would be very keen to try to integrate an all-of-government response. That, therefore, would hopefully include some recognition within both the sugar package and NHT2.

The other aspect of it is that if we are going to expect industry and community groups to embrace the need to change practices of the past then certainly a whole-of-government approach using all the tools at our command is going to be more effective than a small statutory authority based in Queensland trying to address the issue single-handedly and, quite frankly, we do not have the capacity and the whole-of-government resources to do that. Can I say, as a general statement, that I have been pleased and gratified, and in fact quite impressed, by the whole-of-government approach that, with the good offices of Environment Australia, has been undertaken so far in relation to these water quality issues in the Great Barrier Reef. While none of us could accurately and confidently predict the success of it, I am really very pleased with the support and whole-of-government initiatives that are being developed. Finally, can I say that if that means that the process has taken a little longer than perhaps it could or should have, if the outcome is as I would profoundly hope, then it will have been worth it.

Senator ALLISON—Will GBRMPA be arguing for the structural reform to involve effort reduction just as it did with the east coast trawl fishery?

Mrs Chadwick—I am unaware of any recommendation that has come from any officer in that regard. I emphasise that the issues of water quality are not just matters relating to sugar cane production. I think it is unfortunate that there appears to be this debate between the sugarcane industry and others concerned with water quality. We have been having discussions with horticulturists. We have discussions with AgForce and with graziers. There is a whole range of people, including port authorities.

Senator ALLISON—But sugar production surely is the biggest threat and the biggest activity with regard to agricultural practice in the area?

Mrs Chadwick—With respect, Senator, that may be so in some areas and for some levels of pollutants, but I think the research will show that we have to also address issues relating to grazing because of many practices in the past and much of the sedimentation.

Senator ALLISON—Has GBRMPA brought any documents into this process of structural reforms in sugar cane? Is there a submission that the authority has made?

Mrs Chadwick—I am unaware of any formal, I guess, submission or documentation in that regard, but at fear of misleading you I would be happy to go and check if there has been a formal submission.

Senator ALLISON—Perhaps you could advise the committee what GBRMPA has been involved in so far with regard to this issue.

Mrs Chadwick—I am happy to do that, Senator.

Senator ALLISON—Thank you.

Senator McLUCAS—On the water quality issue, I note you said that there has been a healthy and vigorous debate. Can you advise what work GBRMPA is doing to progress it past a debate to an outcome?

Mrs Chadwick—We in fact have our water quality targets which I have mentioned several times this morning. As well as that we have our officers working very closely with Environment Australia, on whose part, as I mentioned, I am pleased to say, there has been exceptional interest, support and involvement in this issue because the complexity and scale of the problem are more than the humble resources of GBRMPA could possibly undertake.

On a local level we are involved in a range of community activities up and down the coast. I am sure, with your interest in the area, you would be aware of some of those local catchment initiatives with some councils being actively involved. In fact, it was only a matter of days ago that I was very pleased to see that the mayor and council of Port Douglas Shire are actively engaged with the local cane growers to develop a new set of agreements on codes of practice and the like which they call Compass. That is but one example, and we are actively encouraging and supporting those sorts of locally based community initiatives. We are working with other groups of like interest. For example, many of the recreational fishing clubs and organisations share our concern about water quality issues and we are working closely with them.

When we come to the macro level, however, it is going to be the initiatives of the broad Commonwealth government that perhaps can help provide a catalyst for change, but the final result is going to depend upon the political will of the Queensland government. It is their state. It is their laws. It is their practices. It is their farmers. It is their graziers. It is their local governments. The Premier, I am delighted to say, at the last election showed his concern by initiating a reef protection task force. That was but a year ago, so I guess it is a bit early to predict the outcomes from the deliberations of the task force, but I am still hopeful that there will in fact be a real commitment to change on the part of the Queensland government because, after all, at the end of the day, while we all share responsibility for improvement it, is a state government issue on which the Commonwealth can hopefully assist.

Senator McLUCAS—Do you agree with the view that the outcome of the debate that has occurred over the last few months in Queensland is that people are simply forming themselves into camps on the issue rather than looking at what we share, and that is a desire to get on and do some work?

Mrs Chadwick—I certainly understand, from the public comment, the view that you are taking; I understand that. I do not agree that there have been two camps that have been formed. There is a large group, including affected industries and councils, who agree that it is an issue, that it is a challenging issue, that it is going to take money and time and pain to change practices and to make a difference, and I believe that represents the broad consensus of the community. There is one group that does not agree that there is a problem.

Senator McLUCAS—Thank you.

Senator CARR—I return to a matter with regard to the crown of thorns starfish. The other part of my job in this place is research; I am interested in the relationship between AIMS and the CRC Reef and the authority. Can you explain to me what the relationship is at the moment with regard to the marine institute and the CRC Reef? What is the interrelationship?

Mrs Chadwick—Warm and healthy, Senator. Both AIMS and GBRMPA are participants and board members of the CRC Reef. GBRMPA contributes a bit under \$700,000—I think it is \$665,000 from memory—in cash to the CRC. Through the environment management charge, the Commonwealth contributes a further \$1.2 million, or thereabouts, to the CRC, which is regarded as the tourism industry's contribution. AIMS is a member of the CRC and makes both a financial contribution in the order of about \$100,000 and, as a research institute, receives about \$1 million worth of research, commissioned by the CRC. James Cook University is also a member and the relative contribution and return is about the same. Other members include the research foundation, QDPI and SUNFISH. AMPTO, representing the tourism group, receive two board members, as do we.

Senator CARR—What is the total budget for the CRC?

Mrs Chadwick—I could not tell you off the top of my head, but I am happy to go and chase that. Because there is matching Commonwealth money that comes in—I was going to say about \$9 million, but it would be better, Senator, if I check that.

Senator CARR—Could you indicate to me what the sources of that budget are? You have indicated some of them; I would like to get a breakdown of that.

Mrs Chadwick—I am happy to, Senator. The reality is that the CRC provides a very good opportunity for James Cook University, AIMS, ourselves and other interested and contributing parties to come together.

Senator CARR—The CRCs generally do a very good job. It is very good idea, but the question arises about the Prime Minister's statement on 10 August with regard to the provision of \$700,000 for the control of the crown of thorns starfish outbreak. Is the CRC required to put any money towards that?

Mrs Chadwick—No, Senator. Because of interest and history, there will be some indirect assistance provided. For example, I know that the executive director of the CRC, Dr Russell Reichelt, has an interest in this area and has been providing some scientific advice to the committee selecting sites for eradication. Similarly, his deputy, David Williams, has sat on a number of COTS eradication committees. So whether you call that a formal involvement or an informal involvement I am not quite sure, but there is a keen interest and a desire to help.

Senator CARR—And AIMS of course is providing the basic research, as you have indicated?

Mrs Chadwick—In terms of the COTS eradication program AIMS is providing some advice and research.

Senator CARR—Are AIMS required to provide any money as part of this announcement?

Mrs Chadwick—The \$700,000? No, AIMS is not a contributing partner to this.

Senator CARR—The Prime Minister announced that the federal government would provide \$700,000; were you consulted about that announcement?

Mrs Chadwick—Absolutely. I thought I had answered that earlier.

Senator CARR—You may well have. I am sorry; as I say, I am new to the game.

Mrs Chadwick—There was considerable debate between researchers, tourism operators, the federal Department of Industry, Tourism and Resources; obviously Senator Hill was taking a big interest in this; there was wide discussion and consultation.

Senator CARR—When did you find out that when the government announced it was providing additional moneys for this eradication program that there were actually no additional moneys involved and that the money was coming out of your budget?

Mrs Chadwick—I knew that all along because we were always working on the basis that it would come from within existing resources.

Senator CARR—Do you think the government's statement made it sufficiently clear that there was not actually new money at all—that it was actually a reallocation of your money?

Mrs Chadwick—Given the desperate straits of some of the tourism operators, particularly in the Cairns-Port Douglas area, at the time, I think out there in the marine tourism world they would not have cared whether it was new money or old money; they just wanted assistance. They were not asking where the money was from.

Senator CARR—But you are head of an authority that is trying to manage a budget of \$30 million and you have extraordinary demands and challenges. It is one of the world's great natural assets. You were given a particularly important job. How did you feel about the fact that there was to be no new money for this project?

Mrs Chadwick—I would be failing in my job as chair of GBRMPA if I had not hoped that manna would fall from heaven, as it were. I would equally be failing in my job if I were not looking to my bigger cousins in Environment Australia to see if they could help. At the end of the day, though, there is a commitment to provide that funding. It is much needed and has been very well received and I think it is helping the very important tourism industry. So at the end of the day the money will be found and whether it comes—

Senator CARR—It has to be; the government has announced that it is going to be found.

Mrs Chadwick—So the money will be found and, in fact, the first payment has been made.

Senator CARR—How much is that?

Mrs Chadwick—That was in the order of \$35,000 or \$38,000.

Senator CARR—When was that paid?

Mrs Chadwick—A couple of weeks ago.

Senator CARR—So the authority have made it perfectly clear that they are unhappy that this money from existing programs—

Mrs Chadwick—No, I did not say I was unhappy. I am very keen to help the tourism industry, Senator.

Senator CARR—You are pleased that this is happening then?

Mrs Chadwick—Thrilled.

Senator CARR—Have you identified programs that this money will come from?

Mrs Chadwick—No. We pride ourselves on managing carefully and prudently within the resources that the government has made available. We are also, as I have said, having discussions with Environment Australia to see if there is any way that they could assist.

Senator CARR—You must, by now, given that the announcement was made on 10 August, have identified a program from which this money could be drawn?

Mrs Chadwick—No, the announcement that was made in August was dependent on the completion of the existing program that had been funded by the government of Queensland. It

was dependent upon a report satisfactory to the government of Queensland being received and agreed to, and that in fact did not happen for several months.

Senator CARR—When precisely did you have information that this money would have to be found?

Mrs Chadwick—I could not tell you precisely. It was when the Queensland government accepted and found the report satisfactory.

Senator CARR—What month?

Mrs Chadwick—I would need to go back and check, but it was towards October last year, I suspect—September-October.

Senator CARR—September or October?

Mrs Chadwick—I am happy to check. With great respect, Senator, I am happy to find out but it is not particularly relevant.

Senator CARR—The reason I raised it is that you have had some four or five months now. That is why I ask the question again: what program will this money be coming from?

Mrs Chadwick—It will be coming from across our broad budget, across a range of programs.

Senator CARR—So you have not identified a specific program; it will be a number of programs?

Mrs Chadwick—I would be most reluctant indeed to take that money out of a particular program. I regard all our programs as important, and hence it will be that there is a salami slice taken from a range of programs.

Senator CARR—What core business programs do you think will be reduced?

Mrs Chadwick—I would imagine that all programs will have to contribute to this initiative.

Senator CARR—So it is across the board; all programs will have to be reduced to find this \$700,000.

Mrs Chadwick—No, \$350,000 over two years. The other \$350,000 comes from the department of science, industry and tourism.

Senator CARR—Can I ask the departmental officials have you agreed that this money can be found in any way from your appropriations?

Ms Tinney—I need to consult with one of the other officers.

Mrs Chadwick—In the meantime, thanks to my excellent helpers here, I can tell you that Premier Beattie agreed to the COTS report on 5 November.

Senator CARR—I appreciate the skill with which your officers have been able to establish that date. The point I am trying to make is that there has been some period of time now and I would have thought you would be in a fairly strong position to identify the source of those funds.

Mrs Chadwick—At the moment the source is quite clear: it is the Great Barrier Reef Marine Park Authority. In terms of how we find that money, we will take a little from all programs to minimise the impact on core business. And we are happy to do so to support the tourism industry.

Ms Tinney—The budget allocations have not actually been settled on yet. There is a bidding process that occurs internally and calls on the budget are put into that process. Those decisions have not yet been taken. It will not be finalised until after the budget is announced. Until we know what level of funding we will be getting, we do not know what the call on the internal reallocations might be.

Senator CARR—Do you accept the need, though, for the department itself to have to carry some of this initiative?

Ms Tinney—It will be one of the bids that is considered during that internal reallocation process.

Senator CARR—Can I conclude from what you have just told me that it is possible that the department will not be carrying any of this program?

Ms Tinney—It is always possible that some programs will not be successful in that bidding process. That often happens. But, because it is hypothetical at this point, we do not know what all the calls are on that funding.

Senator CARR—Minister Hill, you were the minister at the time that the Prime Minister announced that the Commonwealth government would be providing \$700,000. Did you not consider that it might be misleading to not make it clear that it was not new money?

Senator Hill—If that is what the Prime Minister said, it would not be misleading.

Senator CARR—It would not be misleading?

Senator Hill—What was announced was that we would be committing to this program. I do not think there is anything misleading in that.

Senator Carr—You do not think the government has an obligation to make it clear that this is not an additional allocation of moneys but a redirection of resources from the authority's current work?

Senator Hill—I do not think so. Practically every day we determine internal programs, priorities and revised priorities. In this instance, the case made for the support of industry's program warranted that reprioritisation, and that has occurred.

Senator CARR—Yes. It is just that the authority supports the industry in a range of ways and the reordering of priorities has meant, presumably, that some other programs that support industry will have to be reduced?

Senator Hill—The authority supports the industry and the industry supports the authority in relation to COTS and other tourism. In other environmental responsibilities that can be facilitated by the tourism industry the industry has, in fact, been very supportive. It provides platforms for the authority that save the authority funds. It is a good relationship that has a mutual interest. The tourism industry obviously has a vested interest in ensuring the environmental integrity of the reef.

Senator CARR—I can take it now, Minister, that the industry is, in fact, clear that this is money that is going to be drawn from existing resources?

Senator Hill—I have not conferred with the industry for some time.

Senator CARR—Perhaps if one of the officers can advise me? Have there been any representations to the authority or the department concerning the reallocation of resources?

Mrs Chadwick—No. In an informal sense, officers of AMPTO are well aware that half the funding is coming from the GBRMPA budget and the other half from tourism. I certainly have

not seen any representations from the tourism industry expressing a disappointment or frustration—

Senator CARR—None of the operators have contacted the authority to express their concerns?

Mrs Chadwick—No.

Senator CARR—You speak for the authority on that, and it is not just you personally?

Mrs Chadwick—I must say, whether speedily or otherwise, I ultimately see most correspondence and I certainly see all submissions. I am not aware of anything of that nature. I can but repeat that if you were a tourism operator out there with your site being eaten out by the crown of thorns—

Senator CARR—Yes, I accept that entirely.

Mrs Chadwick—and the money is coming, your only interest is how fast that money is coming.

Senator CARR—Yes. They might be interested to know that other services that they have come to rely upon from the authority will not be there. That may be a matter of interest to them as well.

Mrs Chadwick—That is why that I am hopeful that my larger and richer cousins in Environment Australia may be gracious enough to help us out in some way. That is a matter for much consultation, flattery and pleading I suspect. If that fails, we will be taking what I would call a salami slice across the entire range of our programs to minimise the impact.

Senator CARR—Yes. This might be an area in which we have common cause here, and that is why I ask the department: what representations have you had concerning finding these additional moneys, apart from the authority itself?

Ms Tinney—We are not aware of any representations but, of course, we would not be aware of every letter that is received in the department. We will need to check that.

Senator CARR—If you would, please.

Ms Tinney—But we don't have any knowledge of any representations.

Senator CARR—It seems to me that this is such a critical issue and the government feels it is sufficiently important to make a major announcement by the Prime Minister, no less, in the run-up to an election campaign, no less. It is only reasonable therefore that one has an expectation that the government will provide additional resources. But when I read the fine print I discover that it is from within existing resources, and that is what concerns me. People might well feel they have been misled. If this is such a critical issue, why hasn't the government provided the additional resources?

Mrs Chadwick—In terms of misunderstood or misled, I can say that I was never under any misapprehension whatsoever that the money was to come from existing budgets.

Senator CARR—Ms Chadwick, I would be surprised if you, as the head of the authority, would answer me in any other way.

Mrs Chadwick—It also happens to be absolutely correct.

Senator CARR—I am not disputing that is the truth of your understanding. The question is: what does the industry feel? If this is such a critical question, why is the government not providing additional support?

Mrs Chadwick—Senator, if you have had representations of concern from the marine tourism industry, I am more than happy to try and talk with such operators. I am unaware of any approach from tourism operators.

Senator CARR—But I think they will feel a lot happier if they know that the government is providing the additional resources and that it is not coming out of the existing services that are being provided, would you agree?

Mrs Chadwick—I would like to think that they cared about the budget of the Great Barrier Reef Marine Park Authority. I am not convinced that is the case.

Senator CARR—They might be concerned when they find out that they have lost something. Would you agree with that?

Mrs Chadwick—If it meant that permits assessment were slower, that may be the case. If it meant that there was less regulation, they would probably think it was a good thing, Senator.

Senator CARR—If you could come back to us with those representations, thank you very much.

Senator ALLISON—Could I raise a couple of questions at this point? Mrs Chadwick, could you let the committee know about GBRMPA's consultative committee?

Mrs Chadwick—Yes.

Senator ALLISON—What is its composition and is it finalised at last as to who is on it?

Mrs Chadwick—Yes, it has been a long time coming. There are only two explanations for the length of time between one committee and the next. The first would have to be that the staff of GBRMPA and I took a great interest not so much in the composition in terms of personalities but in the structure of the advisory committee. We wanted to try and ensure that the consultative committee properly reflected the new structures of consultation that we have, which are local marine advisory committees and expertise based committees, called RACS, which cover our critical issue groups. I was also keen to try and recommend a structure which properly addressed some of the issues that had been raised in the Queensland government's Sturgess report of a year or so ago. That took a little time and I plead guilty on that.

Minister Hill did, in fact, support the structure that we had recommended, which I will come back to in a moment. Minister Hill was in the process of sending out letters of invitation to various individuals and groups when we had a federal election. That left two outstanding spots on the consultative committee and that has been addressed in the sense that Minister Kemp has written to the last two people whom, informally, I have been advised, will quickly write back and accept, in which case we have our committee up and running.

In terms of the change in structure, while I suspect that no structure is going to please all people, what we will have in place now is a structure which departs from what I would call the Noah's Ark approach to the consultative committee of one of these and two of those and even still with groups that would claim they were not properly represented. The new consultative committee will comprise the chairs of the four issues based groups which represent our critical issue groups, so that gets those major things represented. The legislation says that there will be four people nominated by the Queensland government, and I am sure they will have consulted widely in terms of their nominees, so there are four representatives from—

Senator ALLISON—So appointments have or have not been made by the Queensland state government?

Mrs Chadwick—They have recommended, and the minister has written back accepting those recommendations. So that gives us eight. Then we had two indigenous representatives, and they were the two outstanding appointments. Letters of offer have gone out to those people. There was one research person and that person has accepted. There was one other and it will come to me in a moment. Anyway, it comes to the minimum of 12 on the committee. So they are yet to have their first meeting, but I am delighted to say all appointments should be concluded very quickly and I would be hoping that within the next, say, two months that we will have the first meeting which will include the appointment of the chair. The person I forgot on the consultative committee was me.

Senator ALLISON—And why do you expect this to be not acceptable to some people? Sorry, I forgot the phrase you used, but because it is going to be contentious?

Mrs Chadwick—Historically, without in any way denigrating either the people or the work of the consultative committee because it has done fine work over 20 years plus, people were appointed not in the sense of any structure that represented or paralleled or mirrored the priorities and structure of the marine park authority. As a result you would end up with a range of local advisory committees that GBRMPA had and a range of interest based committees. You would then have the consultative committee not in any way linking those two, despite the best endeavours of the previous chair of the consultative committee, Professor Helene Marsh, who did a wonderful job over a long period of time chairing that committee. Her comments to me expressed great concern about the role of the consultative committee vis-à-vis the role of these other issue based advisory committees, and the need to provide some link. So it was in fact working through those concerns, those issues, trying to get some logical flow to it all, that we came up with a structure that had the local marine advisory committees represented, and the chairman of one of those committees will be there. Then there will be the issue based groups and so on.

Senator ALLISON—So who misses out? Compared with the previous committee, who is likely to be disappointed by this new structure?

Mrs Chadwick—The people who are likely to be disappointed, I suspect—and I hope they are not; I hope they can see the logic in this because I support this structure—are those who from individual groups had direct representation on the committee rather than working through a critical issues advisory group.

Senator ALLISON—What are the four issues?

Mrs Chadwick—Water quality and catchment management, tourism and recreation, world heritage conservation and biodiversity, and fisheries management.

Senator ALLISON—Do the two indigenous representatives who have been chosen have experience with environment issues? How were they selected?

Mrs Chadwick—After considerable thought, because, as you would be aware, there are any number of indigenous groups who would claim—and rightly so—a right to representation at the table. So one could have chosen ATSIC or TOs or different community groupings and so forth. I would prefer not to name the two people who have been invited, given that the minister does not have the letters back. But I would say that one of them has broad, sweeping responsibility at a high, almost political, level within indigenous communities, and the other has wide experience up and down the coast in an organisation largely representing traditional owners—so it is a balance there.

Proceedings suspended from 10.41 a.m. to 10.56 a.m.

CHAIR—Do you have further questions, Senator Allison?

Senator ALLISON—Yes, I do. Why is it that the Great Barrier Reef Marine Park Authority has not put in a submission to the Senate inquiry into the urban use of water?

Mrs Chadwick—That is an excellent question.

Senator ALLISON—And if you would consider doing so?

Mrs Chadwick—I most certainly will. I do not know the answer to the first part of the question. Thank you for that.

Senator CARR—Can I ask you a few questions about shale oil. With the Stuart shale oil project in Queensland, I understand that in the past there has been a request made for Southern Pacific Petroleum and Central Pacific Minerals to relinquish parts of their shale oil deposit leases. Is that the case?

Mrs Chadwick—It is certainly before my time as chair. My recollection is that such a suggestion was made. I am happy to verify that, but that is my recollection.

Senator CARR—It was a bit more than a suggestion, as I recall it; it was a request. Can the departmental officers help us here?

Ms Tinney—I am just checking with some other officers to see if they have that information. No, we have no information.

Senator CARR—Would you take that on notice for me, please?

Ms Tinney—Certainly.

Senator CARR—Has there been any response to this request or suggestion, depending on which one it is, from the company?

Mrs Chadwick—My recollection, and I am happy to go and check, is that it was in the negative.

Senator CARR—The answer is no. Is it the intention of the company to seek to exploit the shale oil deposits within the World Heritage area?

Mrs Chadwick—I most certainly would hope not. There is no application that I am aware of. You would be aware, of course, that the project is on Queensland territory and strongly supported by the government of Queensland.

Senator CARR—Have there been any discussions with the company about the exploitation of shale oil deposits within the World Heritage area?

Mrs Chadwick—My recollection is that very soon after my appointment I had a meeting in my office with a person whose name I do not recall who was an environmental officer from the company. At that meeting, amongst other things, I expressed my complete opposition to any activity in the World Heritage area. He took that on board, as I recall, and I have not, to the best of my knowledge, had any communication with them since.

Senator CARR—So, as far as you are concerned, the only discussions that have occurred are whereby you advised the company that you did not wish to see them exploit their leases—are they leases?

Mrs Chadwick—I think so.

Senator CARR—How would you describe their proprietary rights?

Mrs Chadwick—I think it is a lease.

Senator CARR—And there has been no request or discussion by the company—

Mrs Chadwick—There is no application.

Senator CARR—No request or discussions with the company about exploiting their leases?

Mrs Chadwick—They have no application put forward to do such a thing.

Senator CARR—There is no application, but has there been any approach to the authority or any of the officers of the authority—

Senator Hill—There has been for their leases, but not that part of the lease that extends into the World Heritage area.

Senator CARR—I want to be clear about that.

Senator Hill—There have been years of development of the proposal outside the World Heritage area, including environmental impact studies at the various phases et cetera, but not within the World Heritage area.

Senator CARR—Mr Early, could you assist us in this regard? What approaches have been made by the company to the department?

Mr Early—I am not aware of any approaches that have been made to the company in relation to the World Heritage area. Basically, stage 2 of the proposal, which is near Gladstone on the Queensland mainland, adjacent to but outside the Great Barrier Reef, is currently going through environmental assessment under the Environment Protection (Impact of Proposals) Act. We are awaiting the final documentation from Queensland before the minister for the environment considers making recommendations relating to the proposal. That is entirely on the Queensland mainland. I may be talking about something that is different from what you are suggesting.

Senator CARR—As far as you are aware, were there any discussions with the company about the exploitation of its leases in the World Heritage area?

Mr Early—Not as far as I am aware. I can double-check with my colleagues, but I think I would have known had they occurred.

Senator CARR—When was the last time that a request was made by the department or any Commonwealth agency for the company to relinquish parts of its shale oil deposit leases?

Mr Early—As far as I am aware, this whole process, stage 2, as I said, is going through an environmental impact assessment process. There have been a lot of issues raised, and they will be taken into account in the final EIS. It would be premature for us to—

Senator CARR—I appreciate that in regard to stage 2, but my question was this: when was the last time a Commonwealth agency or officers—the Commonwealth government, whatever identity you choose to take—sought from the company a commitment to relinquish parts of their leases?

Mr Early—I do not know. I would have to take that on notice, double-check and get back to you.

Senator CARR—If you wouldn't mind.

Mr Early—Yes.

Senator CARR—And what was the company's response, and the date the response was received.

Mrs Chadwick—Likewise, I am happy to check through GBRMPA files on that.

Senator CARR—Thank you.

Ms Tinney—We would only have knowledge in relation to one portfolio.

Senator CARR—I appreciate that. I accept that there are limitations on your knowledge in this regard, but in regard to the agencies associated with the environment portfolio I think that is a fair enough qualification.

Ms Tinney—Yes, that is fine. We will check.

Senator CARR—Minister, has there been a government response to the prospect of the particular company's desire to mine oil shale in the World Heritage area?

Senator Hill—My memory is that the company does not claim to have that desire.

Senator CARR—So the government has not expressed a view about the integrity of the World Heritage area in regard to mining?

Senator Hill—The approvals that have been given, and the approvals that have been sought, do not relate to World Heritage areas in my memory of the matter. I prefer the officials to find the exact language that the company uses, but it is something along the lines of 'no current' or 'planned intention to seek to mine within the World Heritage area'. So that has not been an issue. What is still an issue is that the Queensland government has given them, I think, a lease—it is at least a licence but I think it is a lease—that does extend into the World Heritage area.

Senator CARR—Minister, do you recall what the company's rationale was for its refusal of the Commonwealth request to relinquish the parts of its lease that affect the World Heritage area?

Senator Hill—You are asking me to speak for the company, and this is going back some time. Whilst I believe I can recall the response, I prefer it to be—

Senator CARR—Can the officers give the committee advice as to what reasons the company stated at the time of their refusal of the Commonwealth request?

Mr Kahn—I might be able to help. As I recall the discussions, they did not want to foreshadow something that was in the future. They believed that, because they would not be looking at exploiting that area for 20 years or so, in the longer run things might change—governments might change—and the whole situation might be different that far into the future. Therefore, they wanted to keep that potential option open, even though they have no current plans to exploit stage 3 within the World Heritage area.

Senator CARR—Is that consistent with the normal understanding that the Commonwealth has for the use of World Heritage areas—that there is the possibility that we can mine them at a future date?

Senator Hill—It depends on what the listing is for. The Commonwealth has supported activities that have been compatible—or not incompatible—with the values for which the asset is listed. It is complicated in relation to the Great Barrier Reef because it is obviously such an enormous area. A whole range of exploitative industry, such as fishing and tourism, is permitted in a regulated way. Mining has been seen as incompatible with those values, and mining on the reef is prohibited. In fact, we extended that to include the World Heritage area, didn't we?

Ms Chadwick—That's right.

Senator Hill—You get these technical distinctions in the definition. Whether their lease extends into the area that is technically prohibited, I am not sure. We need to check on that.

Senator CARR—But I could be right in assuming that the Commonwealth government—

Senator Hill—Speaking generally, we and previous governments have regarded mining—certainly in the marine park—as incompatible with the values. We have also been very cautious in relation to mining beyond it, lest there be some incidental and detrimental consequence.

Senator CARR—I would agree. My understanding is exactly that—there is a bipartisan position in this parliament.

Senator Hill—My memory is that the authority chair previous to the current chair wrote to the company asking them to consider relinquishing that bit of the lease that extended into the World Heritage area—and certainly from time to time I have mentioned it to the company as well—but they have not been prepared to, and I think some analysis as to why that was so is pretty much in accord with my memory.

Senator CARR—Thank you, Minister. So, apart from you mentioning it to the company on a couple of occasions, what other actions have been taken by the Commonwealth to have the company relinquish its leases in the World Heritage area?

Senator Hill—I do not think any other actions have been taken because the granting of a lease is not a Commonwealth decision. Where the Commonwealth would be involved is if and when authority is sought to conduct an activity that may be incompatible with the World Heritage values and such is not envisaged, as I understand it, in the foreseeable future, so the Commonwealth has not gone further than—accept this is all from my memory—to suggest to the company that it might be something that they would consider in the public interest.

Senator CARR—Could I ask when the stage 2 assessment processes will be concluded.

Mr Early—In the next few months, I would think, Senator. Perhaps by the middle of the year or not much longer than that. It depends a little bit on the company providing the information that would provide the minister with sufficient information to make informed recommendations.

Senator ALLISON—Could I come in at this point. Minister, I wonder if there is not an opportunity for the federal government to use its influence, if you like, over the proponents in terms of the excise exemption which applies to the Stuart shale oil mine worth \$32 million a year. I understand that the proponents have requested that the exemption be extended beyond 2005 when it is currently due to finish. Why does the government not use that as a carrot or a stick, if you like, to see that this area is protected well into the future when the proponent might decide it wants to exploit the opportunity?

Senator Hill—My memory is that that incentive was given by the previous Labor government and continued by our government. If a new incentive is being sought for the future, that would obviously be considered by the government in such circumstances.

Senator ALLISON—Mrs Chadwick, do you know if the authority has been involved in this question?

Mrs Chadwick—No.

Senator Hill—Clearly there would be an opportunity for Minister Kemp to make a contribution to that debate if and when it occurs and obviously GBRMPA would have the opportunity to put their views.

Senator ALLISON—I will raise this with the minister concerned with excise exemptions, but perhaps, Minister, you would pass on your views about how this might be used to lever some movement on this area of World Heritage and the lease that applies.

Senator Hill—Yes, but your honourable senator is relating it to the World Heritage area. I do not know of it, but if there is some request of government to extend its exemptions—it is a concession actually. On the basis of what we do know, it certainly would not relate to an activity in the World Heritage area.

Senator ALLISON—But you might argue that the government would be prepared to do that in return for the Stuart shale oil mine giving back or relinquishing that part of its lease which goes beyond the boundary of the Great Barrier Reef World Heritage area?

Senator Hill—We will pass on that piece of tactical advice.

Senator ALLISON—Thank you.

Senator Hill—I am not sure some of your constituents would applaud you for being prepared to make that concession, but anyway—

Senator ALLISON—We would still like you to close down the mine, but it seems to me to be at least one way of protecting the Great Barrier Reef to some extent. The proponents of the Stuart shale oil project back in 1999, according to a document that was released from Environment Australia, wanted to set up a group ‘to oversee studies and research on the stage 3 development aimed at minimising its impact particularly on the marine environment’. Has GBRMPA been involved in that group? Were you invited to be part of it? What can you tell us about it?

Mrs Chadwick—I would need to go and check, but certainly to the best of my knowledge we have had no involvement in such a group. In fact, frankly, I am unaware of any research to that end that is currently being conducted. That is not to say that it may not be being conducted or whatever. I am aware that there is a reef research foundation that has been established in the last year or so and that the—

Senator ALLISON—By the Stuart shale oil authority?

Mrs Chadwick—By a number of people, but including some of the principals of that company. I am unaware that the foundation is conducting research such as you described.

Senator ALLISON—Is it possible to provide the committee with further details of that foundation?

Mrs Chadwick—I can use my best endeavours, but I assure you that GBRMPA is not part of the reef research foundation.

Senator ALLISON—Should there be a group established, as was suggested in this document, would GBRMPA be interested in being on that committee?

Mrs Chadwick—All knowledge is of value. We would look at the proposal on its merits but, given the sensitivity of the issue, we would look at it very carefully to gauge whether we should or should not be involved.

Senator CARR—I have a few more questions on the shale oil project. Has the department had a look at the company’s financial liability?

Mr Early—We are still awaiting the final documentation for our assessment process. As part of that assessment, we would be looking at economic and social considerations, but I am not sure how deeply we would go into that sort of material.

Senator CARR—It is quite an important issue, is it not, whether the developers are likely to have the resources to undertake the projects that they are seeking approval for from you?

Mr Early—This assessment is under the old Commonwealth Environment Protection (Impact of Proposals) Act, which we do not give approval to but the minister would make recommendations to the action minister. So we would not be in a position of attaching legally binding approval conditions to the project.

Senator CARR—I know there has been some criticism of that 1974 legislation, but it does provide the Commonwealth with some capacities to intervene; would you agree?

Mr Early—It provides the environment minister with the capacity to make recommendations to the action minister, but it is up to the action minister to take those recommendations into account, which are really other portfolios' responsibilities.

Senator CARR—Who is the action minister in this regard?

Mr Early—I assume it is the Minister for Industry, Tourism and Resources, but I would have to double-check that.

Senator CARR—If you could, please. I might have to wander over there and ask a few questions.

Mr Early—It could also be the Foreign Investment Review Board.

Senator CARR—Surely, if you are doing an assessment of these things, the question of who the action minister is would be foremost in your mind?

Mr Early—Not really, because we are looking at the environmental impacts and giving recommendations to the Minister for the Environment and Heritage. The action minister is the person who receives those recommendations, but it does not really impact on how we might assess any particular proposal.

Senator CARR—So it could be something to do with FIRB?

Mr Early—It could be. I would have to check that.

Senator CARR—If you could, please. And it could also be Industry, given that it is a mining operation. But, given that it is in the national park area, it could also be the Minister for the Environment and Heritage. Would that be right?

Mr Early—It is well outside the park area; it is stage 2.

Senator CARR—So it is entirely outside the park area?

Mr Early—Yes, well outside.

Senator CARR—Is it the case that the company recently provided the department with a supplementary report on stage 2 of the Stuart project?

Mr Early—They released the final environmental impact statement on 18 January. We have actually asked for some further clarification of that and some further information.

Senator CARR—When was that request for additional information made?

Mr Early—Not long ago; this month. I could get you the exact date.

Senator CARR—If you would, please. Presumably under the act you are required to ask for that information within a certain time period.

Mr Early—That is right.

Senator CARR—And that time period is clearly running out very quickly.

Mr Early—We did so within the time frame.

Senator CARR—Within the law you asked for additional information. Is that because you were not satisfied with the supplementary report from the company?

Mr Early—Essentially, yes.

Senator CARR—What were the issues that concerned you about their report?

Mr Early—Primarily in relation to information about the potential effects on the Great Barrier Reef World Heritage area and primarily waste material characterisation and water and air emissions, including greenhouse gases.

Senator CARR—What sort of waste materials are we talking about?

Mr Early—I think that is what we wanted the clarification about.

Mr Kahn—Primarily about the spent shale and its characterisation.

Senator ALLISON—What are the issues with spent shale?

Mr Kahn—One of the issues is the potential effects of leaching from the spent shale into groundwater and into the void when the final void is left. One of the issues is the dioxin levels in that and to what extent they are released to the environment or captured within the shale waste within the co-disposed materials.

Senator CARR—It has been put to me that the dioxins likely to be released are something between 6.6 kilograms and 13 kilograms of dioxins into solid waste each year. Is that report accurate?

Mr Early—I think it might be a bit premature for us to debate the assessment when it is part way through. It places us in a very difficult position. When we have asked the company to provide clarification, it really requires us to wait till that is received and to give advice.

Senator CARR—Sure. But was it the case that in the submission they have already made to you the company itself said that the dioxin levels would be between 6.6 kilograms and 13.1 kilograms in solid waste each year?

Mr Early—I would have to check the precise details of the final EIS but, as you can imagine, it is a very lengthy and detailed document. As I said, we have requested additional information.

Senator CARR—But if my contention to you is correct, that the company data is saying that the level of dioxins released will be between 6.6 kilograms and 13.1 kilograms, that surely is a significant issue—so serious, in fact, that you have asked them for supplementary information.

Mr Early—That is right. We are still going through the process—

Senator CARR—I am just concerned, though, that you are not familiar with these sorts of figures. Can you confirm that that is between two and four times more than the quantity of annual releases of dioxins, it is put to me here, by air, land and water in the whole of the United States?

Mr Early—I can take that on notice.

Senator CARR—It strikes me that if those figures are correct we have a very substantial problem. Would you agree?

Ms Tinney—I think Mr Early has indicated that he needs to check what is actually in the report. You may have a copy of the report, but we do not have a copy of the report with us. We will take that question on notice and provide details to you.

Senator CARR—What is our commitment under the Stockholm Convention on Persistent Organic Pollutants? Can you help me with that?

Mr Burnett—The Stockholm Convention on Persistent Organic Pollutants requires signatories or parties to the convention to prohibit certain persistent organic pollutants and to use their best endeavours—that is not the exact terminology but that is what it amounts to—to reduce and, where feasible, eliminate certain other POPs, as they are called, where they are produced as by-products of industrial processes.

Senator CARR—The information I have been provided with tells me that the wording of the convention actually has the objective to ‘reduce and ultimately eliminate’. It is not ‘best endeavours’; it is ‘reduce and ultimately eliminate’.

Mr Burnett—This is from memory. I would have to check the text of the convention. I believe, from memory, though, that the text is ‘where feasible eliminate’ but it is in general—

Senator CARR—You work with this all the time, I do not. I have the quote in front of me here and obviously I can misread it. I appreciate that I may not understand it, but that is what the words say to me—‘reduce and ultimately eliminate’. I also understand the Australian government is a signatory to this convention. Is that true?

Mr Burnett—Australia signed along with approximately 90 other countries in May 2001, but Australia has not yet ratified the convention. That is something that is still under consideration. We are a signatory but not yet a party.

Senator CARR—Perhaps you could explain to me, Minister, when we are expected to ratify this convention.

Senator Hill—The prerequisites to ratification are now more complicated than they used to be as we have a role of the legislature as well as an executive role.

Senator CARR—Absolutely. It is a government initiative in fact, if I recall.

Senator Hill—It is not as streamlined as it used to be.

Senator CARR—So when do you anticipate that that process will be concluded, Minister?

Senator Hill—I do not know when it will be concluded. I am not even sure where it is up to.

Mr Burnett—It is in the very early stages, Senator, and there is no set timetable for concluding it.

Senator CARR—In other words, we cannot rely on this convention?

Mr Burnett—The obligation of a country that has signed a convention but not yet ratified it is to act in good faith. The act of signing is an indication of good faith and intentions on behalf of a country, but it does not yet become a formal obligation. It is not a formal obligation until a country ratifies it.

Senator Hill—But we do not produce POPs in Australia now, do we?

Mr Burnett—No, we do not manufacture POPs.

Senator Hill—There is only one POP that is in use in Australia, and that is in a very limited form, and ultimately it is to be phased out.

Mr Burnett—That is correct.

Senator Hill—That is because there is no alternative for that.

Mr Burnett—That is correct, but the convention also applies to POPs that are produced unintentionally as by-products, and that is where dioxins come into the picture. One does not produce dioxins as a product. Dioxins are a by-product mostly of combustion processes such as an industrial process such as smelting. They are an unintended and undesirable by-product, and that is why the convention uses words to the effect that parties commit themselves to ‘reduce and, where feasible, eliminate the production of POPs’.

Senator CARR—I appreciate the point you make, but is it the case that in May last year Australia also supported a resolution which said it ‘appeals to the states and regional economic integration organisations to participate in and apply in full the provisions of the Stockholm Convention during the interim period on a voluntary basis’?

Mr Burnett—I do not recall that exact resolution, but I would have to check.

Senator CARR—Could you take that on notice for me, please?

Mr Burnett—I will take that on notice.

Senator CARR—Did Australia vote for that position? Is it bound by that resolution?

Mr Burnett—I would have to take that on notice. It depends exactly which resolution you are referring to and the context in which it is made.

Senator CARR—Do you think there could be a bit of wiggle room there?

Mr Burnett—I should not comment on it without knowing the exact details.

Senator CARR—It concerns me that if the company is telling the government that a by-product of its activities is the production and release of between 6.6 kilograms and 13.1 kilograms of dioxins in solid waste each year—and that is between two and four times more than the qualified annual release of dioxins to air, land and water in the whole of the United States—then we have a problem.

Mr Burnett—I cannot comment on that because—

Senator CARR—You have got a big problem.

Mr Burnett—Mr Early has already answered that this is all part of a statutory process that is as yet incomplete, so I should not comment on something for which the process is not complete.

Senator CARR—Minister Hill, did you want to add something to this?

Senator Hill—I was confused by your assertion. Perhaps you should make it again.

Senator CARR—That the developers of the shale oil project in Queensland have told the government that their stage 2 project will release between 6.6 kilograms and 13.1 kilograms of dioxin in solid waste each year and that this is between two and four times more than the qualified annual release of dioxins in air, land and water in the whole of the United States. That is the assertion I am making.

Senator Hill—That does not make sense to me. What about oil shale projects elsewhere around the world?

Senator CARR—Are you saying it is not true?

Senator Hill—It does not make sense to me. There is clearly a waste issue related to the environmental assessment process of the oil shale project and that is part and parcel of the process—to identify what the environmental consequences are and to weigh them against the benefits of the project.

Senator CARR—This is presumably why the department has asked for supplementary information.

Senator Hill—The largest source of dioxins, as I understand it, in Australia is bushfires. We cannot eliminate bushfires and we cannot eliminate all industry, but we have an interest in minimising adverse consequences of industry.

Senator CARR—What other concerns did you have about the company's supplementary report? Presumably they have had a couple of cracks at getting you the right information, have they?

Mr Early—The process is that they release a draft environmental impact statement for public comment and then they are required to produce a final EIS taking into account the comments that have been made in the public consultation process. So that is where they have got to. As I said, the general concerns that we have I have already answered. If you want the precise detail, I am happy to take that on notice.

Senator CARR—Yes, if you would, please. Could you give me the precise details of what you regard as the deficiencies in the information provided, what was the nature of the request for additional information and when you expect it to be provided?

Mr Early—Yes.

Senator CARR—Presumably you would be able to advise me on what assessments have been undertaken of the company's financial viability.

Mr Early—In a formal sense, the assessment process really has not commenced, although obviously the department has been involved throughout so far. The assessment process formally begins when all of the information is available.

Senator CARR—Are you aware of reports that the company is having serious financial problems?

Mr Early—I am not aware, Senator, and once again this places me in a very difficult position, when we are partly through a statutory process, to be commenting on matters that might affect the assessment.

Senator McLUCAS—I understand that there is a review of the coral reef finfish fishery underway. Why was that deemed necessary?

Mrs Chadwick—We are, of course, interested in the sustainability of all activities on the reef and we believe that that particular fishery is in significant trouble. That is compounded by the extraordinarily high prices of live coral trout on the world market now. But I am fortunate that I have my expert with me, namely John Tanzer, who knows everything about that fishery.

Mr Tanzer—This actually started back in 1995, so it is not a new review. This fishery has been under examination with a view to putting in place a management plan for the fishery—the start of it, the discussion paper, was released in early 1996, I think. So it has been a long time coming and we are very keen to see a management plan in place for this fishery because the effort is increasing and has increased over the time in a manner which we think requires some examination and constraint. As the chair said, added to that is the high prices that are driving the increase in fishing effort in relation to the live fish trade in particular.

Senator McLUCAS—What is the consultation process? Where are we up to in terms of consultation with affected sectors of the industry?

Mr Tanzer—I think they are just about to release the draft management plan, which will go out publicly, but there has been a long process of consultation, as I say, over a number of years and discussion papers have been released. The management advisory committee, REEFMAC, has met along the Queensland coast and there have been a number of public meetings over the time, so it has been quite a long drawn-out process. The concern, from the marine park authority's point of view, is that it come to a conclusion in terms of getting a management plan in place to deal with the increasing effort.

Senator McLUCAS—Has the professional game fishing association been consulted as a part of that consultation process?

Mr Tanzer—Yes, it has been a public process.

Senator McLUCAS—But they have been targeted as a significant stakeholder?

Mr Tanzer—Yes.

Senator McLUCAS—Have you done an assessment of the effect of the three nine-day spawning closures on that sector of the industry, if that is the proposed management strategy?

Mr Tanzer—We are aware of their representations. I should point out that the process is being run by the Queensland Fisheries Service. The reef line fishery is administered by Queensland. Our concerns are for the broader ecological effect of line fishing on the marine park and the Great Barrier Reef. We are one of the stakeholders, if you like, who sit on the management advisory committee and we have our statutory responsibilities for the park in general. That means that we are not simply another stakeholder but have statutory responsibilities.

As to the impact on individual sectors, that is being taken into account by the Queensland Fisheries Service. We are aware of representations of concern from the charter fishing sector on the impact those closures will have. We support the closures from the point of view that we think they are necessary to protect the stock, particularly the spawning of coral trout and other major species.

Senator McLUCAS—Are you aware of any research that is being done into mortality rates following tag and release? That would assist, I think, in developing a management plan that includes the needs of the sector.

Mrs Chadwick—You are relating that to coral trout and so on?

Senator McLUCAS—Yes.

Mrs Chadwick—I am not aware of any. John may be, but the difficulty with that from my perspective would be that, as John said, this has been a matter for discussion since 1995 or 1996. If we are going to advocate that we undertake another two- or three-year research project, my fear is that there will not be any coral trout to tag and release.

Senator McLUCAS—Can I just say for the record that I recognise that that fishery is significantly under threat and that we do need a response. I am just a little concerned that the people paying for it are not the people doing the damage.

Mrs Chadwick—There is a vexed question, as John Tanzer said, in relation to charter or game fishers. The reality is, they tell us, that the busiest period of the year is that three months. I suspect that from their point of view it is weather-related. It is also beyond a doubt the better time at which to catch coral trout and reef fish because they are aggregating for spawning.

Senator McLUCAS—I will leave that and move to the closure of the fishery between Cardwell and Mourilyan Harbour. Can you tell me the role of the Mission Beach LMAC in that closure?

Mrs Chadwick—I am happy to, Senator. In response to the question from Senator Allison a short time ago, I mentioned the restructured and, I think, vibrant and necessary community consultative groups that we have up and down the coast, which we refer to as LMACs—Local Marine Advisory Committees. One such group is, in fact, centred around Mission Beach. We have another, which is relevant to your question, in Port Hinchinbrook. Over the period of the LMAC, which is three years now, a constant theme running through the community concerns brought to our attention is the issue of by-catch or fish-kills—not only rotting along the shore and up the creeks, but also in the slicks of dead fish offshore that seem to follow trawler activity. This has been a constant complaint.

Research shows that there is evidence of these massive fish-kills dating back to the seventies. Indeed, in the early eighties there is evidence of councils sending out bulldozers to scrape up the dead and rotting fish and to bury them. So no-one disputes that it is a significant issue. The worry was how to correct the situation, not only from a conservation point of view but also from an amenity point of view—the locals deserve better. The consequence of this was that we basically ended up with three proposals. One of these was from the commercial fishing organisation, QSIA, which we felt to be inadequate—but I must say that I was pleased that they made an effort because before that they had tried voluntary codes of conduct which, sadly, had failed. Their proposal might look good on the map, but it goes marginally more than the efforts that are already closed to trawling. So we did not see that as acceptable for correcting the problem.

The second proposal was from the Mission Beach LMAC itself. That was quite an expansive proposal, as one would imagine. There were also pleas, in the form of both correspondence and petitions, from the people of Tully Heads and Hull Heads, saying that if there was a closure to be contemplated then they wanted their area protected also. They gave evidence of massive fish-kills over time. The Hinchinbrook LMAC also provided advice by way of a map, which was similar but smaller in area than that proposed by Mission Beach. Using our best endeavours, and the wisdom of Solomon—and I pay tribute to the work of Phil Cadwallader, who is here with us today and who is the director responsible for assisting the Mission Beach LMAC—we trod a path between all of these competing plans and based a plan on the bathymetry of the area, so that we protected the more shallow, inshore areas from trawling. We made that recommendation to our minister, Dr Kemp, and he was persuaded by our argument. He has instructed us to scurry away and prepare a regulation and an impact statement and the like, which we are in the process of completing.

Senator McLUCAS—I recognise that there were three different submissions with relation to the boundary. Did the submission from the QSIA include anything else other than a boundary? I mean, I understand the issue is daytime trawling.

Mrs Chadwick—No, the first and foremost issue is the fish kills.

Senator McLUCAS—Yes, the daytime trawling causes the fish kills.

Mr Tanzer—No.

Mrs Chadwick—I do not believe that to be the case.

Mr Tanzer—It is from cleaning out the nets, what comes up over the back, whether it comes up at night or during the day. The by-catch level which we know to be in the vicinity of

an eight to 10 to one ratio. It is the discarding of that back over the side, particularly in shallower areas, and ending up along beaches and in the near shore area in the water.

Senator McLUCAS—I appreciate that being on the record. Thank you. So the QSIA submission was not only about a boundary, was that correct? Did it include other practices that you considered?

Mrs Chadwick—No, the initial submission that was given to the Great Barrier Reef Marine Park Authority was based on boundaries. I also had a meeting with the local state member, some of the Mission Beach people and QSIA in about August last year. The only thing on the table there were the boundaries. However, as recently as last week, I was advised that QSIA has been making recommendations in relation to different types of gear and practices. I do not have that formally. I was advised by some QSIA people in the north that those submissions have been made to Minister Palaszczuk for consideration, but not to us.

Senator McLUCAS—I note that there is now some discussion about the capture of leader prawns as a part of that closure and that in *The Cairns Post* of last week—I do not have the date—GBRMPA suggested that the harvesting of leader prawns would not be affected by the closure.

Mrs Chadwick—Whether you call them leader prawns or brood prawns—and John and others can advise me on the technicalities of the term—basically we are talking about brood prawns that are important to aquaculture. We have given an assurance that it is not our intention to stop the collection of brood prawns for aquaculture. We have not given any guarantee on how that is done yet. I am talking about the methodology, the numbers involved and whatever. Our concern would be that we do not have general trawling for brood stock. There is some work that needs to be done, but the assurance that we have given and the minister has given to the aquaculture industry, and to many others, including QSIA, stands. It would be ludicrous in the extreme for us to be denying the collection of brood prawns for an industry which, with our new regulations, can be more sustainable and which takes pressure off the native stocks. That commitment is real and stands and will be fulfilled.

Senator McLUCAS—I accept that; that is good, but I cannot see how we can do it. Currently we collect brood prawns as a by-product of trawling.

Mrs Chadwick—No, apparently it is possible, and we will be issuing a permit to a limited number of people for the collection of brood stock. While it is early days yet and has simply been a discussion between myself and representatives of the aquaculture industry, they in fact are very keen to look at methodologies which may be employed to ensure it is not trawling by any other name. They are happy to look at different methodologies of collection; they are happy even to say that there would be a GBRMPA official on board to see how it is done. Informally, people involved with aquaculture have suggested to me that they would be happy to just take the brood prawn and make sure that anything else was by-catch. Other than I do not want it washing up on the shore yet again at Mission Beach—the aquaculture interests are very keen to work with us to ensure that the closure to trawling is not circumvented in their justifiable need to get brood prawn.

Senator McLUCAS—I look forward to finding out how we do it. I have two final things. Can you tell me whether GBRMPA is doing any research work on the impact of removal of beche-de-mer from the ecosystem?

Mrs Chadwick—Our major research provider is of course the CRC reef that we were discussing earlier. I am not aware of it, but I do recall a discussion recently about pressures on the beche-de-mer. We are unaware of any research, but I will double-check that for you.

Senator McLUCAS—I appreciate that. Finally, what involvement did GBRMPA have with EA's approval for an EIS for oil drilling in the Townsville Trough?

Mrs Chadwick—The critical issue group which relates to conservation, biodiversity and World Heritage provided some input to EA. Can I say in all honesty I could not be certain of the level or quantum of work that was done and I am more than happy to chase that. But I know we did have some involvement, mainly because of our interest in megafauna such as whales and the like.

Senator McLUCAS—If it is appropriate, I would value having a copy of your submission if it was in fact to that extent.

Mrs Chadwick—I will certainly check, and I am happy to make available what I can.

Senator McLUCAS—Thank you.

Senator CARR—I have one final matter. I raised this morning the question of board appointments to GBRMPA. Do we have any information on that matter? Fay Barker.

Ms Tinney—No, we do not have the detail of the date of cabinet approval.

Senator CARR—Do you have an idea what month it was?

Ms Tinney—Possibly September, but I am only guessing.

Senator CARR—We will obviously need to return to this issue in the next round. How many of the current board are former Liberal Party candidates?

Mrs Chadwick—There was myself. I was given the extraordinarily sensible length of term of the New South Wales upper house. I was a candidate on a couple of occasions.

Senator Hill—Is that why you are so prejudiced against the Liberal Party?

Mrs Chadwick—There is me and then I am unaware that Dr Evelyn Scott has ever been a Liberal Party candidate.

Senator CARR—I would have a look at that.

Mrs Chadwick—I will ask her, but I suspect not.

Senator CARR—It strikes me that it is possible that three out of the four people on the board—

Senator Hill—Who is the third?

Senator CARR—I understand that the chair, Dr Scott and Ms Barker—

Senator Hill—Who?

Senator CARR—Ms Barker.

Mrs Chadwick—I will have to go and ask Dr Glyn Davis. We have never discussed it, but I am not sure if he—

Senator CARR—It just struck me as strange statistics, if I am right—and I am more than capable of being wrong, I know—but three out of the four is not bad.

Mrs Chadwick—There are four members on the board, so I will—

Senator Hill—I did not know she was a Liberal candidate.

Senator CARR—You agree there are four members on the board?

Mrs Chadwick—Yes.

Senator CARR—So it is two or three who are former Liberal candidates.

Senator Hill—Two definitely have been.

Senator CARR—It is possible. I want to raise the matter later on, but I am also advised that, on 11 October last year, Minister, you also announced the chair of the Heritage Commission; is that true?

Mrs Chadwick—That is not in GBRMPA.

Senator CARR—I know that. I have asked the Minister a question. Thank you, Mrs Chadwick. I am sure you are very familiar with these estimates; I asked the Minister whether or not that is the case?

Senator Hill—We certainly appointed a new chair to the Heritage Commission, following the retirement of the very able previous chair.

Senator CARR—But another high profile Liberal. Both of these appointments, Minister, were in the caretaker period of government?

Senator Hill—No, no appointment was made in the caretaker period.

Senator CARR—Did you say 11 October?

Senator Hill—I do not know what the dates were, but there was no appointment during the caretaker period.

Senator CARR—The announcements were made in the caretaker period, is that true?

Senator Hill—I do not know about announcements, but I would be confident that there was no appointment made by cabinet—both of those have to go through cabinet—in the caretaker period.

Senator CARR—But both announcements were made in the caretaker period.

Senator Hill—I do not know the answer to that but, if they were, that is not inconsistent with the caretaker provisions. The issue is when the decision was made.

Senator CARR—So one week into a federal election campaign, you are announcing these senior appointments, presumably without any consultation with the opposition?

Senator Hill—Well, we could not. If we had wanted to make an appointment during the caretaker period, we would have had obligations to consult the opposition.

Senator CARR—But you have no obligations—

Senator Hill—We have no obligations in making an announcement of a previous determination.

Senator CARR—How many other prominent Liberals have you appointed to boards in your last period as minister?

Senator Hill—That is too tough for me, isn't it? You will have to define 'prominent Liberal'. The second one that you mentioned, as far as I know, has never stood as a Liberal candidate.

Senator CARR—You would agree, though, that he is a prominent Liberal?

Senator Hill—Pardon?

Senator CARR—You would agree, though, that he is a prominent Liberal?

Senator Hill—He is a joint author on a very sound text on liberalism that was once written.

Senator CARR—I am just asking the question, Minister, how many other appointments you have made in the last year of prominent Liberals to senior government bodies?

Senator Hill—Have I made appointments?

Senator CARR—As the minister for the environment?

Senator Hill—As I said, I have appointed people who have been associated with a range of political parties to positions. I do not know why one would see the membership of a political party or even the seeking of political office as a black mark. I do not see it in those terms. The issue is whether the person is the right person in terms of capabilities for a job; you take into account the whole range of that person's qualifications and experiences.

Senator CARR—Thank you, Minister; as I have indicated we will obviously need to come back to these issues.

Senator Hill—In relation to the two appointments that you have mentioned today, I am very confident that both will do an excellent job.

Senator CARR—I trust you are right.

Senator Hill—I am.

Senator CARR—Thank you, very much. I have concluded my questions to GBRMPA. I look forward to seeing you in May.

Mrs Chadwick—We are looking forward to it also.

[12.02 p.m.]

Natural Heritage Division

Senator McLUCAS—When will the NHT1 program finish?

Mr Kitchell—The projects which have been funded out of the Natural Heritage Trust mark 1, the first phase, will complete over a period of time. You will appreciate that a number of the projects—tree planting projects, for instance—cannot always be scheduled exactly; they are scheduled by the weather more than they are by the budget and by the calendar. So there will be a period beyond the end of the sixth year of the trust—beyond the end of this financial year, which is when NHT1 will conclude in a formal sense—where projects will be continuing. We would expect those projects would continue for maybe another 12 or 18 months beyond that but that will depend on a range of factors, including the weather.

Senator McLUCAS—So some projects that are currently funded may continue past September of this year?

Mr Kitchell—That is so.

Senator McLUCAS—Where are you up to with your planning for NHT2?

Mr Kitchell—The government made some public statements about the second phase of the trust. They have indicated that there will be a reduction from 23 programs down to four. Those four programs will be Landcare, Bushcare, Rivercare and Coastcare. The trust investment will be focused around 10 priority areas and around three overarching objectives: sustainable agriculture, biodiversity conservation and community capacity building. That is a substantial focusing of the trust around a lesser number of areas and it is providing a greater flexibility by having four programs rather than 23 relatively small programs.

Senator McLUCAS—Do you imagine that projects that are currently funded under an HT1 will continue, even in that different form that you are describing, into an HT2?

Mr Kitchell—We propose a different form of funding in the second phase of the trust. Rather than the process at the moment, which is principally but not entirely a grants based project based on annual calls for expressions of interest for grants, the principal mode of delivery will be at the regional level, looking at larger, more strategic regional projects, which will be funded on the basis of an integrated natural resource management plan—a plan developed by community based groups which will be then jointly accredited by both the Commonwealth and the relevant state government and then funded, where appropriate, from the Natural Heritage Trust. So it will be less of a grants program and more a strategic funding of an integrated natural resource management plan. Having said that, there will still be a small grants component to the trust, but we expect that to be a small component of the trust and a declining component of the trust over time.

Senator CARR—Do you have budget expectations in terms of expected expenditures by program for the next year?

Mr Kitchell—No, there has been no determination of those yet.

Senator CARR—For a major announcement such as this, to reduce the number of programs from 23 to four, you must have a fair idea of how the priorities will be allocated in terms of expenditure?

Mr Kitchell—The final decisions about that will be made in the context of the budget.

Senator CARR—So these are matters subject to government decision right now?

Mr Kitchell—That is so.

Senator CARR—I presume the department has prepared extensive advice.

Mr Kitchell—We have provided some advice to our ministers.

Senator CARR—I am told that the expenditure is about \$274 million over 2001-02. Is that correct?

Mr Kitchell—That is for this year.

Senator CARR—Has that been revised in any way?

Mr Kitchell—No.

Senator CARR—So you expect that figure to continue?

Mr Kitchell—That is the estimate for this year, and there is no indication—

Senator CARR—No change to the forward estimates in that regard?

Mr Kitchell—No.

Senator CARR—How much of that \$274 million has been spent to date?

Mr Kitchell—About \$120 million.

Senator CARR—Is there a provision within these changes for the Landcare tax credits program?

Mr Kitchell—You mean in the changes to the program?

Senator CARR—Yes.

Mr Kitchell—Yes, there is. I suppose the first thing to say is that the Landcare tax credits is an AFFA-run program and not an Environment Australia-run program, but within the description of the new Landcare program there is the capacity for the Landcare tax credits to be a component of that.

Senator CARR—But it is being funded out of the National Heritage Trust, is it not?

Mr Kitchell—As it has been in the past.

Senator CARR—Yes. I am a bit puzzled why it is that we are having a tax credit program funded from program spending, particularly this program. Explain that to me.

Mr Kitchell—I can't really. As I said, it is an AFFA-run program. It would be difficult for me to give you any answer. I would hate to mislead you and give you an answer—

Senator CARR—Would you take that on notice because obviously I need to pursue that. I am familiar with the convention that tax credit schemes are usually treated as forgone revenue. Is that not the convention, Mr Kitchell?

Ms Tinney—I think we would have to refer that question to the AFFA portfolio. It is not something that this portfolio can really provide you with an answer on.

Senator CARR—But you are responsible for the management of the National Heritage Trust, are you not?

Ms Tinney—We are partly responsible, jointly with AFFA, Senator.

Senator CARR—I would like to find out why this measure is being taken out of program spending and not treated as forgone revenue and stated in the budget as such.

Mr Kitchell—We did anticipate having an AFFA officer here to answer such questions but we were—

Senator CARR—Caught short.

Mr Kitchell—Brought on a little early.

Senator CARR—I am a bit unpredictable like that. I apologise. Will you have someone here later on?

Mr Kitchell—They are not far away. They would take probably 20 to 25 minutes to get here, though.

Senator CARR—The bad news is that you will be here in 20 to 25 minutes and we might have to come back to it.

Mr Kitchell—That is fine.

Senator CARR—I would be interested to know whether there is a figure of almost \$50 million in the budget for this particular item for next year. Is that right?

Mr Kitchell—I am sorry, I only heard part of the question.

Senator CARR—Is it the case that \$49.2 million has been put against this measure?

Mr Kitchell—The Landcare tax credits? Again, I would have to defer to my AFFA colleague.

Senator CARR—All right, we will come back to that. Can you take this on notice for me: can you provide a breakdown of the actual spending for each year of the Natural Heritage Trust program throughout its existence from 1995-96 through to 2001-02 by program and by electorate? Is that possible to provide, Mr Kitchell?

Mr Kitchell—I can give you the actual expenditure of the trust overall right now for all those years.

Senator CARR—But I would also like it by program, the 23 programs, and by electorate. I don't suppose you have got that in your folder as well, have you?

Mr Kitchell—No, we don't. But what we did provide to Senator Bolkus previously was an analysis by electorate of expenditures.

Senator CARR—So you will have no trouble updating it by program.

Mr Kitchell—We would be able to update it for between this estimates hearing and the last.

Senator CARR—Thank you. As I say, I am new to the game and I will have to follow some of these things through. I am sure you will be patient with me.

Mr Hunter—Could I add to that that not all NHT expenditure can be attributed to an electorate. Some expenditure would occur across areas which are greater—

Senator CARR—You will identify those, won't you, and explain to me why they are not being spent in any particular electorate. Who handles the Natural Heritage Trust market research?

Mr Kitchell—I think you are referring to communication activities. It is in within the trust and within Environment Australia, but my colleagues on the right will handle that.

Ms Tinney—Mr Peter Woods is the assistant secretary in charge of that area. Do you have a specific question for Mr Woods?

Senator CARR—Mr Woods, how much money do you spend on market research?

Mr Woods—The 2001-02 expenditure to date is \$121,500.

Senator CARR—Have you been undertaking any market research recently?

Mr Woods—Yes, we have.

Senator CARR—What is the nature of that?

Mr Woods—It relates to the local community grants component of the extension of the trust.

Senator CARR—What is the purpose of the research?

Mr Woods—It is to basically look at how we most effectively inform community organisations about that particular component of the trust.

Senator CARR—Where was this research undertaken?

Mr Woods—Both in Sydney and Brisbane.

Senator CARR—When was it undertaken?

Mr Woods—We have undertaken research in January, basically qualitative and qualitative research involving telephone interviews and four focus groups. In February we have undertaken focus groups in Brisbane.

Senator CARR—How many people were involved in the focus groups?

Mr Woods—I would need to just check on that precise figure, Senator. The groups varied in size from eight to 10 people. It would basically depend on who turned up out of those people who was recruited to be involved in the focus groups, but on average about seven or eight people.

Senator CARR—What was the cost of this particular research project?

Mr Woods—The telephone interviews and focus groups in January cost \$45,100. The focus groups in Brisbane in February cost \$8,800.

Senator CARR—That is just over \$50,000, which is a substantial proportion of your budget for the year, isn't it?

Mr Woods—The Natural Heritage Trust is a very large program and, as part of government communication arrangements, we are required to undertake market research in relation to any campaign advertising.

Senator CARR—Are you intending to advertise as well?

Mr Woods—As part of our normal program information processes we would be informing the community in a variety of ways about the nature of the program.

Senator CARR—How much did you spend on advertising last year?

Mr Woods—The reason why we are hesitating is that the figures we have cross over 2000-01 and 2001-02, but I can give you some gross figures on the cost of the media spend for advertising.

Senator CARR—Could you, please.

Mr Woods—In 2001 we had a budget of \$3.3 million for NHT advertising. The media spend for that part of the campaign was just over \$3 million—\$3.025 million. We also continued the advertising campaign through 2001, through May to August 2001. The budget there was \$2 million, of which we spent \$1.66 million on the media spend. For 2001-02, in relation to the Natural Heritage Trust advertising, we had a budget of \$3.7 million, and \$991,000 was expended prior to the election being called.

Senator CARR—It is fair to say that sometime during the run-up period to the election you spent nearly \$5 million.

Mr Woods—That is correct.

Senator CARR—Five million?

Mr Woods—It would be in that order.

Senator CARR—What informed that spending?

Mr Woods—The Natural Heritage Trust public information campaign, as it is called, has been running since 1998. Basically, the campaign is designed to inform the community about the Natural Heritage Trust and encourage people to be involved. The advertising that occurred through 2001 was part of a campaign that had commenced in 1998.

Senator CARR—Was this all done through the central government advertising group?

Mr Woods—Yes, it was.

Senator CARR—So it was part of a coordinated government advertising campaign.

Mr Woods—It is coordinated as far as our activities are concerned. We are required to work through the Government Communications Unit and to seek approval for this sort of campaign advertising through the Ministerial Committee on Government Communications.

Senator CARR—Who undertook the creative work for you?

Mr Woods—J Walter Thompson.

Senator CARR—Was there any post-election assessment of the success of this \$5 million media campaign?

Mr Woods—We undertook tracking research in October last year.

Senator CARR—What was the nature of the tracking research? This was during the election campaign itself that you undertook tracking research.

Mr Woods—Basically, the tracking research is designed to assess how effective the advertising has been, and what response we have had to the advertising. We had conducted it previously. As I said, this campaign has been running since 1998.

Senator CARR—Who got access to the tracking research that you undertook in October?

Mr Woods—The tracking research was undertaken by a company called Worthlin Worldwide. They are required, under the provisions of our contract with them, to provide the information to us, to the department, and that information would have also been conveyed to the minister's office.

Senator CARR—So it went to the minister's office. It was the caretaker period; did it go to the opposition?

Mr Woods—Not that I am aware of.

Senator CARR—Was there any discussion about whether or not this sort of information should go to the opposition?

Mr Woods—Not that I am aware of.

Senator CARR—Are you able to provide us with the details of the research?

Mr Woods—At various earlier hearings we have had questions on the outcome of the market research into the Natural Heritage Trust advertising. It has been the minister's position that the outcome of the research was part of internal government operations.

Senator CARR—But this was during the caretaker period. They were not internal government operations at all. This was during an election campaign. You were undertaking tracking research to assess the effectiveness of a \$5 million advertising campaign.

Mr Woods—I would like to clarify the timing of that tracking research. It was conducted on 3 and 4 October, prior to the caretaker period commencing.

Senator CARR—I see. And it was concluded on 3 and 4 October, was it? When was the assessment of the results undertaken?

Mr Woods—The information came to the department, and, as part of our normal arrangements, we would have looked at the results. It has not been used in any way since, and was not used at any time during that period.

Senator CARR—So it was useless information, was it?

Mr Woods—No, it is not useless information. It is there and available for use in any future advertising campaigns that we conduct.

Senator CARR—But it is not available for the use of the parliament, to assess the effectiveness of a \$5 million advertising campaign in the run-up to a federal election.

Mr Woods—As I said, we have provided answers to questions to this effect in the past.

Senator CARR—I appreciate the difficulty of your position. When did you provide it to the minister's office, then?

Mr Woods—It would have been provided, I believe, at the same time as it was provided to us, via the Natural Heritage Trust public relations manager. But I cannot really speak—

Senator CARR—So it is automatic: the company provides it to you, as part of their contract, and provides it to the minister's office at the same time. Is that how it works?

Mr Woods—The outcomes of the research would have come to the department and at the same time would have been conveyed to the Natural Heritage Trust public relations manager. I do not know—

Senator CARR—Sorry, the natural trust public relations manager—when did it go to the minister's office?

Mr Woods—We are not aware that it actually went to the minister's office.

Senator CARR—So are you correcting your evidence from before?

Mr Woods—I am.

Senator CARR—Can you check for me, please: was the information provided to the minister's office?

Mr Woods—It was not provided by the department to the minister's office in any way.

Senator CARR—Did the minister's office receive it?

Mr Woods—I would have to check on that. It may have gone from either the Natural Heritage Trust public relations manager or from Worthlin's in terms of their provision of information to—

Senator CARR—Yes, I appreciate that. Sorry, I am still trying to feel my way through this, but I thought you told the committee a few moments ago that it was part of the requirements of the Worthlin contract to provide it to the minister's office. Did I misunderstand you?

Mr Woods—The market researcher was required to provide the information to the department—just to the department.

Senator CARR—Just to the department.

Mr Woods—But in the normal course of our activities, we would be providing the outcome of that research, at some point, to the minister's office.

Senator CARR—But you cannot say if you had provided it on this particular occasion.

Mr Woods—I can say that, as far as I am aware, the department did not provide any information to the minister's office.

Senator CARR—Minister, can I ask you? You were the minister at the time. Did you receive this tracking research? Did your office receive this tracking research?

Senator Hill—Not that I am aware.

Senator CARR—Would you take it on notice whether your office received this—

Senator Hill—I have not personally, but I suppose I have to ask Dr Kemp to ask me.

Senator CARR—I wish you would take it on notice. And, if you did, what date did your office—

Senator Hill—I will refer your question to Dr Kemp and he can pursue it as he considers appropriate.

Senator CARR—Is this the sort of thing that has been subject to return to orders in the past, in the Senate?

Senator Hill—It has been subject to extensive scrutiny, Senator.

Senator CARR—All of which you have refuted by saying that it is essentially an operational matter.

Senator Hill—Extensive and detailed public scrutiny.

Senator CARR—So you will not mind giving us a copy of the research, then.

Senator Hill—I do not know that we have ever actually given the research.

Senator CARR—But since it has been subject to such extensive—

Senator Hill—Given a lot of information on process.

Senator CARR—But not much on the research.

Senator Hill—I do not think the research, no. I think that is consistent with long-established practice.

Senator CARR—It is just a very odd thing for the department to be undertaking tracking research on 3 and 4 October, a day or so before—you are saying—the caretaker period came into operation?

Mr Woods—My understanding is that the caretaker period commenced on 8 October and—

Senator CARR—Okay, so it is four days before the caretaker period cuts in. You are undertaking tracking research into a \$5 million advertising campaign.

Mr Woods—Which we would do as part of the normal government requirements.

Senator CARR—Standard operations, yes. Can I ask the Natural Heritage Trust officers if they can advise me if the publicity officer received a copy of this material?

Mr Kitchell—The publicity officer?

Senator CARR—Is that what you call him, publicity officer?

Mr Kitchell—It is a her, and—

Mr Woods—It is the Natural Heritage Trust Public Relations Manager.

Senator CARR—Public relations. I am sorry I have confused the two, public relations and publicity. When did she receive it?

Mr Kitchell—I do not know the answer to that, Senator.

Senator CARR—Could you provide me with advice? She is not here today?

Mr Kitchell—No, she is a consultant.

Senator CARR—Oh, a consultant. So it is outside the department?

Mr Kitchell—It is an outsourced contract, yes.

Senator CARR—And who is that person?

Mr Kitchell—Her name is Jane Seaborn.

Senator CARR—And was that information provided to the minister's office?

Mr Kitchell—I think Mr Woods has already—

Senator CARR—No, he has advised me on what the department did. I am asking you, did the Natural Heritage Trust provide that information to the government?

Mr Kitchell—No.

Senator CARR—You can be absolutely categorical about that?

Mr Kitchell—Absolutely.

Senator CARR—All right. You can provide me with the additional information, Minister?

Senator Hill—Yes, I will try to be helpful while—

Senator CARR—Yes, you always are.

Senator Hill—reminding the senator that this is a large, community based program. It is designed to achieve not only better outcomes on the ground but, just as importantly, changes in community attitudes, and the publicity campaign has been very much along the basis of informing the community what other individuals have been prepared to do and their sense of achievement in achieving better outcomes. It is all consistent with our objective, as I said, of mobilising the Australian community towards better environmental outcomes. A lot of money has been spent under the NHT programs and it is important, in the government's view, that the public be informed of how it is being spent and the benefits that are flowing from it in terms of changing community attitudes. You can go back over history, and from time to time there has been market research done to ensure that the objectives of a program are being realised and effectively communicated to the broader community.

Senator CARR—Yes, minister—

Senator Hill—It seems to me that this research is therefore consistent with that long-established process. Whilst you might think that there is something special in relation to the timing, as the federal election was approaching, it does not seem to me to be inconsistent with what has been a regular and ongoing process of communication and also finetuning through effective market research to ensure that the communication dollar is being best spent.

Senator CARR—Thank you for that very helpful advice, Minister, but I think you would also agree that there has been substantial public comment about the amount of government advertising in the run-up to the last federal election. Now I discover there was tracking research being undertaken in October last year, and my concern is to whether that tracking research—I will put it bluntly—was of assistance to the government in its election campaign. I have asked the officers to take this question on notice: was any of this research provided to any member of the executive government or the offices of any of the executive after 3 or 4 October?

Senator Hill—That is a fair question to ask and I will refer that to the minister. But what I have tried to say is that the Natural Heritage Trust is not a trust that concludes with the term of a government; it is an ongoing trust established by law, with a funding commitment into the future. It seems to me, therefore, not inconsistent with that program that there will be ongoing market research from time to time.

Senator CARR—Yes, I would agree with that. The question arises, though, about its political uses. If it is a straight administrative matter about asking people to be good to the environment, terrific. But if it is used in the context of a re-election strategy by the government, then I think this parliament has an interest in the matter. That is the point I am making. So we will obviously need to return to this matter, Mr Woods, when you are able to check the records of the department: whether anyone in the department has provided information to anyone in the executive branch of government or their offices.

Mr Woods—I am pretty sure, Senator, that nobody in the department has conveyed the outcome of the tracking research conducted at the time of the commencement of the caretaker period to the minister's office.

Senator CARR—So when was the last time you did provide advice to the minister's office on tracking research?

Mr Woods—I cannot be precise in answering that question at this point, because the campaign has been an ongoing campaign. As I said, it commenced in 1998, it has been ongoing at various periods since that time, and as part of our normal operations we would have been providing advice to the minister's office.

Senator CARR—Under the contractual arrangements, is there a requirement for your contractors to provide tracking research or evaluation reports to the government's advertising committee?

Mr Woods—There is no such requirement. The agreement provides for the outcome of the research to be provided to the department.

Senator CARR—Just the department?

Mr Woods—Just the department, and there is actually a provision that it not be conveyed to any outside parties without approval.

Senator CARR—Thank you very much. I ask you to take on notice this question: will the results of the research undertaken in the run-up to the election, or that undertaken in January-February, be made available to the committee?

Mr Kitchell—Mr Chairman, our AFFA colleague has now joined us. Senator Carr wanted to—

Senator CARR—Mr Willcocks, regarding the operations of the tax credit scheme, can you advise the committee if it is accurate to say that there has been \$49.2 million set aside of the Natural Heritage Trust program for the Landcare tax credit program?

Mr Willcocks—There is \$49.2 million set aside for 2002-03 that is against that line in the NHT estimates. That arrangement, the Landcare tax credits program itself, has terminated. Obviously, because of lags in the system, there may be some claims that are still working their way through, but it is not expected that the full amount of that \$49.2 million will be used up.

Senator CARR—What do you expect to be the forward estimates for that?

Mr Willcocks—That will be up to the natural heritage ministerial board in determining arrangements for the ongoing trust.

Senator CARR—Why is it that a program spending measure is financing a tax credit initiative?

Mr Willcocks—The Landcare tax credit program or subprogram has been in the trust from the outset, since 1996-97. It was a decision by the coalition in the election context to fund it that way. My understanding is that in any case tax measures are required to be funded and they are not open-ended commitments.

Senator CARR—Isn't the usual practice for measures such as this to appear in the budget as forgone revenue?

Mr Willcocks—You would have to direct that to the Department of Finance and Administration or someone who deals with financial matters. We have been provided with this funding to administer for that program and that is what we have been doing.

Senator CARR—Fair enough. When will the program cease?

Mr Willcocks—The Landcare tax credit was in the Income Tax Assessment Act, but my understanding is that it terminates at the end of this financial year.

Senator CARR—So for this program to continue it will need to be part of this budget: is that right?

Mr Willcocks—The government has indicated that that particular program will not be continuing.

Senator CARR—So what happens about the tax credit matters? People who currently get tax credit under this program will no longer be able to receive them: is that the case?

Mr Willcocks—As I said earlier, any claims in the system are being provided for.

Senator CARR—Only up to the end of the financial year.

Mr Willcocks—It does take time for tax returns to be submitted and it could be anything up to two years before the claims work their way through the system, so provision will be made for any existing claims.

Senator CARR—What is the cut-off point for existing claims and how do you measure that?

Mr Willcocks—I might have to come back to you on that, but my understanding is that the program either finished at the end of last financial year or finishes at the end of this financial year. As I said, any outstanding claims will be met.

Senator CARR—After that there will be no provision that you are aware of to continue?

Mr Willcocks—Not for that particular arrangement.

Senator CARR—How many people currently have access to this program?

Mr Willcocks—Any taxpayer that meets the—

Senator CARR—I will rephrase that. How many applications have you accepted?

Mr Willcocks—I cannot answer that, Senator.

Senator CARR—Are you able to indicate the nature of the applications that have been accepted?

Mr Willcocks—In what sense?

Senator CARR—What is the average size of the credit for instance?

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

Senator CARR—Thank you. I appreciate that you would not necessarily have that information readily available.

Senator McLUCAS—Have any of the final payments to the states due to occur by 30 June this year been delayed after that date?

Mr Kitchell—None have been deferred from our side of the trust. From Environment Australia's perspective, none of those have been deferred.

Mr Willcocks—At this stage, no payments have been deferred.

Senator McLUCAS—I understand that in November 2000 there was a statement that indicated that the Commonwealth would be the sole contributor to NHT2, that that is now different and that the government is now seeking matching funding from the states. Is that a correct description of the history of NHT2?

Mr Kitchell—It is correct to say that the Commonwealth government is seeking matching funding from the states for the majority of the second phase of the trust.

Senator McLUCAS—Are you aware that in November 2000 the government indicated that they were not seeking matching funding from the states?

Mr Kitchell—I am not aware of that.

Senator McLUCAS—Could you follow that up.

Mr Kitchell—Could you give some indication of where that might have been indicated, because it is not something that we are aware of.

Senator McLUCAS—I will be able to give that to you shortly, after lunch perhaps.

Mr Hunter—The announcement of the second phase of the Natural Heritage Trust was made in the May 2001 budget.

Senator McLUCAS—Yes, I am referring to an earlier indication from the government. How are negotiations progressing with the states over the implementation and their contribution to NHT2?

Mr Kitchell—We are having very positive interactions with the states. As late as Friday of last week, there is general agreement about the broad framework of the second phase of the trust. We are quite optimistic that we will have a good agreement with all of the states on most of the significant matters.

Senator McLUCAS—Is there a formal process of signing a document, a memoranda of understanding? Could you take me through that process.

Mr Kitchell—The process that is proposed is that ultimately the endorsement of the framework for the second phase of the trust will happen through the Natural Resource Management Ministerial Council, which is essentially the environment and agriculture ministers from each of the states, territories and the Commonwealth.

Senator McLUCAS—Under NHT1, there was a target generally to identify success in the program and that was to reverse the decline in quality and extent of native vegetation. That was signed by the states. What is the mechanism to test whether that has been successful?

Mr Kitchell—Over the period of the trust, over the last 5½ years, we have made significant advances on meeting that objective.

Senator McLUCAS—That is not the question I asked.

Mr Kitchell—I was getting to it—you asked me how we would measure it. In a number of states over that period, regulatory environments have been put in place which have caused significant reductions in clearing rates in those states. It is true to say, however, that we have not reached that target, that is principally because of the clearing regime in Queensland, where the annual rate is in the order of 425,000 hectares a year. The Commonwealth continues to encourage the Queensland government to bring that to a sustainable level but that is a matter that we have not yet concluded with that government.

Senator McLUCAS—So the point is about the measure—the methodology of measuring success?

Mr Kitchell—The methodology of measuring success for that would be to measure the net clearance rate around the nation.

Senator McLUCAS—Was that agreed with the states?

Mr Kitchell—Yes, there was agreement that the states would try to meet that national goal for the Bushcare program of the NHT.

Senator McLUCAS—So has there been a report done on the success of Bushcare according to that criterion?

Mr Kitchell—I think Senator Hill, when he was the minister, issued a parliamentary statement on just that matter—how we in Australia, in the various jurisdictions, had gone in meeting that objective. We would be happy to provide that to you.

Senator Hill—Bushcare has been remarkably successful, but there is still a long way to go.

Senator McLUCAS—I understand that the minister has made a statement in the parliament, and that is all very well and good. Does NHT use a scientifically based measure for the success of the Bushcare program? Is there a report on that process of evaluation?

Mr Kitchell—At the end of the first phase of the trust we will be doing a comprehensive analysis and assessment of the success or otherwise of each of the programs. We have not done that as yet, but at the conclusion of this first phase of the trust we will be doing that.

Senator McLUCAS—Have the states agreed to the methodology of that evaluation of success?

Mr Kitchell—We are working with the states and, as I indicated before, we have had some very productive interactions with the states on how we would deal with the second phase of the trust. On that particular issue regarding the monitoring and evaluation framework, we have moved a considerable distance to getting agreement with them on how we would monitor and assess the Natural Heritage Trust. In direct answer to your question, I would be very confident that we will soon have an agreed methodology.

Senator McLUCAS—In your negotiation with the states on NHT2, are you negotiating at the outset about the methodology of ascertaining success of the program? It seems that that was not done in NHT1.

Mr Kitchell—That is precisely what we are doing. We are defining the framework for monitoring and evaluation of the trust, which can be used retrospectively for the first phase of the trust—for NHT1—and then prospectively into the future for the second phase of the trust. We are very close to reaching agreement on that right now.

Senator McLUCAS—Are you predicting that the evaluation will occur more regularly during NHT2, rather than having a final evaluation some five years after its instigation? I am aware of the interim reports.

Mr Hunter—Perhaps I can help with that. The monitoring and evaluation framework that we are developing is still under negotiation with the states. We have not got to the point yet where we have reached a conclusion on the frequency of monitoring of program activities such as the NHT. So that is still an issue to be determined in the context of developing this monitoring and evaluation framework.

Senator McLUCAS—Your natural resource management plans are being developed by region. Are the regional assessment panels that are currently in existence going to be used to accredit those plans? Can you tell me the process by which we will end up with a natural resource management plan?

Mr Kitchell—The plans will be developed as you indicated—by the community based groups. Those plans will be developed in line with a set of accreditation criteria, so they will understand the basis upon which their plans will be judged by the Commonwealth and state ministers. Once that has been completed, it will go to the Commonwealth minister and the relevant state ministers for their endorsement. That is the process.

Senator McLUCAS—What time frame will that take?

Mr Kitchell—We think it will vary across Australia depending on the maturity of the regional groups. For instance, in Victoria we have catchment management authorities which

have been in place for quite some time. We would expect plans to come out of those authorities relatively more quickly than those jurisdictions where the community based groups either have not been formed or are in their infancy, if I can put it that way.

Senator McLUCAS—I refer to the earlier point I was making about projects that are completing. I understand most projects will complete by September this year?

Mr Kitchell—Yes.

Senator McLUCAS—Have you done any assessment on what the lag time may be between the end of those projects and the pick-up of any replacement projects?

Mr Kitchell—As you are indicating, these integrated natural resource management plans on which most of the trust funding will be based in the future will not all be ready as of 1 July this year. We anticipate that there will be a need for an interim arrangement—undoubtedly for the first year where there will almost certainly be a call for expressions of interest but in a different format to that which we have done under the first phase of the trust. So we will be providing some money in the first year for priority projects and some foundation funding in the absence of a natural resource management plan having been completed.

Senator McLUCAS—Could you explain foundation funding?

Mr Kitchell—Foundation funding is funding for those areas where the community organisations—the community or regional catchment groups—either have yet to be formed or are in their infancy. It is to assist them through the process of forming themselves and building their capacity in order to develop the plans, and then to take the responsibility for their implementation.

Senator McLUCAS—It would be a fairly bureaucratic type of activity. I can understand community building but we are not going to get any trees planted through the foundation funding.

Mr Kitchell—No. The priority funding would be the works on the ground. The foundation funding would be the capacity building, as we have put it, for the regional groups themselves.

Senator McLUCAS—Have you done an assessment of the amount of money that you would put towards these interim arrangements?

Mr Kitchell—We have reached no final conclusion on that.

Senator McLUCAS—Are you telling me that they will vary from region to region depending on the capacity of that region?

Mr Kitchell—Indeed. That is what we do think.

Senator McLUCAS—Who will assess the priority funding projects and decide who gets funded and who does not?

Mr Kitchell—It will be assessed by the state and Commonwealth agencies and advice will be provided to the ministers who are making that decision.

Senator McLUCAS—State by state.

Mr Kitchell—Yes.

Senator McLUCAS—I want to ask about the NHT contribution to Cape York Peninsula. Where are we up to with the expenditure of that money and what is to happen post June this year?

Mr Kitchell—The expenditures made have been just over \$20 million out of the Cape York program. We expect that Cape York will be one of these regions that we have been

talking about, through which we will be funnelling the majority of the second phase of the trust. Our expectation is that it is through that regional approach that most of the funding to Cape York Peninsula will be coming forward in the future.

Senator McLUCAS—So the remaining amount of the \$40 million will roll over into the next financial year?

Mr Kitchell—There has been no indication by our ministers to the contrary.

Senator McLUCAS—Has there been a commitment to say that that money will roll over?

Mr Kitchell—There has been no indication by the ministers either way at this stage.

Senator McLUCAS—Given that the program has expended part of the funds in some sectors and clearly, in the acquisitions sector of the work that it was proposed to do, has done very little, do you think it proper in terms of our commitment to the community of Cape York Peninsula that we roll over that money so that the other half of the program is actually completed?

Mr Kitchell—We would certainly expect that we would be, with the Queensland government, acquiring properties on Cape York and that there would be a continuing investment in Cape York. It is just that you are asking me as an official about whether the \$40 million commitment in its entirety would be continued, and I just cannot answer that, I am sorry.

Senator McLUCAS—I understand that. That is all I have.

Ms Tinney—Mr Chairman, Senator Carr asked a question earlier about any program expenditure split-up in the heritage trust. I can give half the answer at the moment. If you look at page 12 of this publication, which is *Investing in our natural and cultural heritage*, it splits the spending by program since the inception of the trust. We will get back to you on the electorate break-up.

Senator CARR—Thank you.

Proceedings suspended from 12.57 p.m. to 2.07 p.m.

Senator McLUCAS—Mr Willcocks, given the comments that we heard before from NHT about the interim arrangements that are going to be established, can you tell me if the AFFA section of NHT that manages Landcare is intending to use that set of interim arrangements to continue programs while regions get up to speed?

Mr Willcocks—They are joint arrangements for the NHT for the future so that, while there are four programs identified in the extension of the trust—one of those is Landcare—the programs will be managed together with joint decision making by ministers. At least that is the thinking at this stage.

Senator McLUCAS—So we can conclude from that that Landcare programs will continue at least in the first instance before NHT2 is fully operational.

Mr Willcocks—As explained last night in the other committee, while there is a Landcare program, landcare activity—small ‘l’ landcare activity—is funded from a range of sources, which could be Rivercare, Murray-Darling or Bushcare in the first round of the trust, so that really describes those groups that take part in that activity.

Senator McLUCAS—I might pursue that later. You might want to take this on notice, though: how many direct employees are there of funding that is provided through the NHT?

Mr Kitchell—I will have to take that on notice.

Senator McLUCAS—Yes, I understand that.

Mr Kitchell—I presume you mean both within the department and facilitators that we might have employed under Landcare or Bushcare.

Senator McLUCAS—Yes, I would like both, please, and I would like them separated, but I am most interested in those people who are employed through the projects that are funded by NHT. Could I have them state by state, please. Has there been any analysis of impact on job levels as a result of changes?

Mr Kitchell—No, we have done no precise analysis of that. We are keenly aware, as are both the Natural Heritage Board ministers, that we will need to have those trained and experienced people in the regions continuing in the second phase of the trust to assist the community in delivering NHT2, but we have not yet arrived at any conclusions about the number of those people and therefore any specific analysis as to job implications.

Senator McLUCAS—Most of these people are employed in regional Australia. Is that correct?

Mr Kitchell—Yes.

Senator McLUCAS—I would think it would be fairly important that we would do an analysis of the impact on employment levels, especially in an environmental area, in regional Australia?

Mr Kitchell—Sure. We would see that in the future of course the decisions about the number of those employees would not be taken by government but rather by the regional groups themselves. They would be making an assessment and analysis themselves about the type and number of people that they would require to help them implement their plans. So it would not be just a matter of the Commonwealth determining, or the state determining, those numbers, but rather the regional groupings themselves playing a significant role in that decision.

Senator McLUCAS—But certainly there could be, as a result of a change in government policy, changed levels of employment in regional areas?

Mr Kitchell—That is a possibility. It seems to me unlikely that that would be the case, but it is a possibility.

Senator McLUCAS—I certainly hope it is unlikely.

Mr Kitchell—You said change, not necessarily decrease. There is always a possibility that the change could be an increase.

Senator McLUCAS—Upwards. That would be good.

Senator CARR—Can I just go through a few of these routine matters. I am sure you will have no difficulty with these. Have applications opened for local action grants?

Mr Kitchell—No, they have not.

Senator CARR—When do you anticipate that they will that?

Mr Kitchell—We would anticipate some time during next month, during March.

Senator CARR—And how long will they be open for?

Mr Kitchell—I am not sure that we have finally determined the exact period for applications, but it would be the order of two months.

Senator CARR—Was that the situation last year?

Mr Kitchell—We did not have local action grants last year, so there is no analogous position.

Senator CARR—So this is the first time you have had them?

Mr Kitchell—The first time we will have had these types of grants, that is right.

Senator CARR—When was it announced that this new program would commence?

Mr Kitchell—The local action grants?

Senator CARR—Yes.

Mr Kitchell—It was announced in the election policy statement of the coalition before this election.

Senator CARR—What is the rationale behind it?

Mr Kitchell—The rationale for the grants is to, as I indicated before, receive the majority of the second phase of the trust's moneys going through the regions, going through these large community based bodies in the regions. There are a number of groups in those regions who are not yet at a stage of development where they are ready to enter that regional mainstream, if I can put it that way. We think that these small grants, up to \$30,000 a time, will help those groups build their capacity, enable them to move into that regional stream and to play a major part then in the implementation of these regional natural resource management plans.

Senator CARR—The grants are up to \$30,000, so you are anticipating less than \$30,000. What is the sort of range you expect?

Mr Kitchell—We have not done this before, so it is a bit hard to know exactly what we would expect. I suppose it could range from just a few thousand dollars up to \$30,000.

Senator CARR—What is the total allocation for the program?

Mr Kitchell—That has not been yet determined. That will be determined in the context of the budget discussions.

Senator CARR—Does that account for the delay in opening applications?

Mr Kitchell—That is one of the reasons, yes.

Senator CARR—What are the other reasons?

Mr Kitchell—There has not yet been—up until quite recently—discussions about this with the relevant ministers to reach a final determination.

Senator CARR—So you really do not know what you are doing with this yet?

Mr Kitchell—We know what we are doing insofar as the framework is concerned. We have worked with the states on the guidelines for these grants, so we have a reasonable level of understanding and agreement between the states as to what the guidelines will be.

Senator CARR—When will the guidelines be completed then?

Mr Kitchell—The guidelines will be distributed when the grant applications are called for.

Senator CARR—So I assume the guidelines are now completed, are they?

Mr Kitchell—They are completed to our satisfaction.

Senator CARR—Who else has to be satisfied?

Mr Kitchell—The two Natural Heritage Board ministers, Ministers Kemp and Truss.

Senator CARR—So it is with the ministers?

Mr Kitchell—That is so.

Senator CARR—What about the Coastcare funding arrangements? What is the situation there?

Mr Kitchell—Do you mean the current Coastcare or the Coastcare program that we will have in the future?

Senator CARR—What is the current situation? We will take it one at a time since you are kind enough to advise me of the difference.

Mr Kitchell—If you are asking me where we are with the funding for Coastcare, I cannot give you that answer, Senator; I will have to take that on notice. I guess you are asking me how much money has been expended.

Senator CARR—What is the expenditure and do you have any idea or has any decision been made yet as to what the future expenditure will be?

Mr Kitchell—No. As I say, the decisions about the allocations to each of the four programs, of which Coastcare will be one in the future, will be announced in the context of the budget.

Senator CARR—I have a few questions on the Murray-Darling Basin program. That is part of your program as well, is it not?

Mr Kitchell—That is part of AFFA's program.

Senator CARR—How much money has been spent on the Murray-Darling Basin program in the last year of operation?

Mr Kitchell—I can give you that figure if I can find it in this pile of paper, Senator, if you bear with me. I can certainly tell you how much has been allocated to the program.

Mr Willcocks—From 31 January, for program expenses, Murray-Darling, this table shows \$14.6 million. No, I'm sorry, \$35 million.

Senator CARR—\$35 million.

Mr Willcocks—I have a table here I can't follow.

Senator CARR—Is this a revelation—a public servant who can't follow a table? What hope do we have?

Mr Willcocks—The program has been allocated \$35 million for this year.

Senator CARR—How much have you spent?

Mr Willcocks—I would have to take that on notice, unless I can find it here, Senator, and I could come back to you on that. It looks like \$29.65 million—this is for 2001-02 approvals—for 238 projects.

Senator CARR—Can I get a list of those?

Mr Willcocks—A list of projects?

Senator CARR—Yes. Are you able to do that, on notice?

Mr Willcocks—Yes.

Senator CARR—Unless you want to hand over your brief.

Mr Willcocks—No.

Senator CARR—What are the forward projections on this program?

Mr Willcocks—The forward projections are the ones in the budget environment statement: \$22.8 million for 2002-03.

Senator CARR—That is a reduction from \$35 million, is it not?

Mr Willcocks—I think the point is that the total amount of funding that is committed to Murray-Darling 2001 is \$217 million and the fact that some of it is rolled into 2002-03 does not set aside the fact that the total amount is still greater.

Senator CARR—Is it true that the Commonwealth has reduced its contribution towards this program?

Mr Willcocks—The trust, as you probably know, technically finishes in 2001-02, with some overhang into 2002-03. The spending profiles for the program were always going to be running down in the last two or three years. The high point, I think, was the 1999-2000 expenditure under the trust. In fact, it was 2000-01, with \$395 million.

Senator CARR—So you are saying that the Murray-Darling Basin program will end?

Mr Willcocks—The Murray-Darling 2001 will end.

Senator CARR—Will it be replaced by any other fund?

Mr Willcocks—The activity that was undertaken in Murray-Darling 2001 and a number of others in the 21-odd programs under the Natural Heritage Trust will now be picked up by the four programs in the extended trust.

Senator CARR—So it will continue—there will be funding for salinity in the forward programs?

Mr Kitchell—Indeed, there will be funding out of the Natural Heritage Trust and there will be funding out of the national action plan in the Murray-Darling Basin for salinity and water issues.

Senator CARR—Will there be a decline in the Commonwealth's contribution for salinity?

Mr Kitchell—Because the allocations for the four programs to the trust have not yet been made, we cannot give you an answer on that with any precision. But because of the additional money that has been invested, or that will be invested, under the national action plan there is every expectation that there will in fact be more money spent—probably substantially more money spent—both in the basin and across Australia, on salinity issues.

Mr Willcocks—I can add to that, Senator. There is a separate appropriation to the Murray-Darling Basin under the AFFA portfolio—this may be what you are interested in—of around \$3.3 million, which continues.

Senator CARR—I am just interested to know, given that the Governor-General's speech on behalf of the government clearly indicated that salinity was a priority. What I would like to do is match that statement with the expenditure. You are saying to me that, to the best of knowledge available to you, the program moneys will continue in one form or another roughly at this amount, and maybe a little bit more. Is that what you are saying to me?

Mr Kitchell—What I am saying to you is that when you aggregate the Natural Heritage Trust moneys with the national action plan moneys it is highly likely that there will be an increase in moneys given to salinity.

Senator CARR—So that means higher moneys in 2002-03 than there are in 2001-02? That is the proposition you are putting to me?

Mr Kitchell—That is highly likely—but, as I say, until such time as the allocations have been made.

Senator CARR—Can I turn to the national action plan on salinity and water quality. Is this the one that is known as NAP?

Mr Willcocks—That is correct.

Senator CARR—How much of this money is going to be allocated in the first year of the plan?

Mr Hunter—The NAP estimates, which are shown in the existing forward estimates, show estimates for the current year—2001-02—of \$65 million. In 2002-03 that will be \$150 million, and increasing.

Senator CARR—Was there money expended that you have appropriated? Was there an underspend or an overspend on that?

Mr Hunter—I do not have with me a figure for the current year's expenditure. In fact, this money is appropriated to Agriculture, Fisheries and Forestry Australia. But, from the information that I am aware of, it is likely that there will be an underexpenditure of funds in the current year. The negotiations to implement the national action plan involve an intergovernmental agreement—which has been agreed—and then a series of bilateral agreements with the states in order to give effect to the program. A number of those bilateral negotiations are still under way.

Senator CARR—So it is the perennial problem, is it, of trying to get the states to agree? Is that what you are telling me?

Mr Hunter—I think we have made good progress.

Senator CARR—So what is the level of underspend, in your expectation?

Mr Hunter—I would only be guessing—

Senator CARR—Mr Hunter, I thought you were saying that it was an Agriculture program?

Mr Hunter—The appropriation is to Agriculture, Fisheries and Forestry Australia.

Senator CARR—Mr Willcocks, will you be able to assist me here? Do you have any information on that?

Mr Willcocks—I am sorry, Senator, but the questions on this particular program are handled in the Rural and Regional Affairs and Transport Committee.

Senator CARR—So would you take that on notice, then.

Mr Hunter—I will be happy to.

Senator CARR—What do you anticipate being the level of underspending, given that you have been allocated \$65 million? Have you got any idea? Is it 50 per cent or 30 per cent? What sort of figure do you think it is?

Mr Hunter—I would just be guessing, and I do not think that would be helpful.

Senator CARR—Is the fact that you cannot get the states to sign up to it the major problem or is it only one of a number of problems?

Mr Hunter—It is necessary to get the states signed up to the national action plan. So far, South Australia, Victoria and Tasmania have signed a bilateral agreement. All states except Western Australia have signed the intergovernmental agreement. In addition to that, it is then

necessary to put in place other arrangements in the longer term for the full range of activities to occur. Regional organisations with accredited integrated natural resource management plans will need to be in place. But, as Mr Kitchell mentioned earlier, we do have a provision in the national action plan to provide for what we call foundation funding and funding for priority actions, which can be provided in advance of the completion of an integrated natural resource management plan. We have provided funding of that nature in South Australia and, at present, we have such funding arrangements under consideration for Victoria. We are also working on those issues for the other states in advance of completing the bilaterals.

Senator CARR—You say all the states have now signed?

Mr Hunter—All states except Western Australia have signed the intergovernmental agreement.

Senator CARR—When did they do that?

Mr Hunter—It was a progressive process. I would need to take that on notice to give you the exact dates.

Senator CARR—Thank you. The dates that each of those were signed would be appreciated. What was the date when the last state signed off?

Mr Hunter—I would need to take that one on notice too.

Senator CARR—If all the states have signed, we can hardly argue that that is the major problem for not spending the money.

Mr Hunter—I agree, and I did not suggest that it was.

Senator CARR—Perhaps I have misunderstood you there. You then indicated that there are other issues that need attention. One of them was setting up these regional structures.

Mr Hunter—In addition to the intergovernmental agreement, I also mentioned the bilateral agreements.

Senator Hill—Except it has taken a year for them to sign.

Senator CARR—A year to sign, but they have had the money for a year too, have they not?

Senator Hill—You said do not blame the states, but they have not signed for a year.

Senator CARR—I am just interested to know. I know you have a problem with the states.

Senator Hill—I do, yes. They were pretty quick to support the press release but pretty slow to do anything positive.

Senator CARR—Senator Hill, you would not be the first minister that has had a problem with state governments

Senator Hill—With the exception of South Australia. We did not get much thanks for that either.

Senator CARR—How many organisations have had funding approved?

Mr Hunter—As I mentioned to you, we have approved funding to South Australia for a number of priority actions and foundation funding for that state. There has also been some funding approved for salinity mapping in a number of jurisdictions and also some foundation funding approved for Queensland.

Senator CARR—Can I have a list of all those projects that have been approved and the date on which they were approved?

Mr Hunter—I can find you that information, Senator. I will need to take that on notice.

Senator CARR—I would appreciate that. You did mention South Australia. You say that is where the bulk of the money has been spent?

Mr Hunter—That would be my understanding, Senator.

Senator CARR—This is because the salinity issue is so much more serious in South Australia?

Mr Hunter—South Australia was the first jurisdiction with which we concluded a bilateral agreement. It is only once a bilateral agreement has been concluded that the substantial funding is able to flow.

Senator CARR—I take it there was no agreement signed during the caretaker period in the South Australian parliament. I take it that all of these predate the South Australian election.

Mr Hunter—Yes. The agreement with South Australia was concluded, to my recollection, around the middle of 2001.

Senator CARR—So the funding began to flow in the second half of last year?

Mr Hunter—Correct.

Senator CARR—Has there been any in the first month of this year?

Mr Hunter—To South Australia. The announcement of the funding itself was made in 2001. The actual flow of funds, in order to give effect to the announcements, will be progressive and I think some of that will most likely occur this year.

Senator CARR—Sure, but you would have signed agreements obviously after the signing of the bilateral agreement.

Mr Hunter—Yes.

Senator CARR—Presumably, when I get the list I can establish where these organisations were and the purposes for the grant. Is it possible to provide that?

Mr Hunter—Sure.

Senator CARR—Is it the case that a number of projects were approved by Senator Hill but not by Minister Truss?

Mr Hunter—Not to my knowledge, Senator. For example, in the case of the South Australian—

Senator CARR—What is the normal arrangement? Do both ministers sign?

Mr Hunter—Correct.

Senator CARR—Both ministers sign—so you are not aware of any projects that were agreed to by the former environment minister and not signed off by the agricultural minister?

Mr Hunter—I cannot recall any.

Senator CARR—Can you check for me?

Mr Hunter—Sure.

Senator CARR—Thank you. This next issue is a parochial one. Some people have expressed some concern about the funding in Victoria. Can you advise me how many projects have been allocated to Victoria for this year under this NAP program?

Mr Hunter—There has not been a public announcement of any projects for Victoria under the national action plan unless that has occurred today.

Senator CARR—Why is that?

Mr Hunter—There are still discussions under way between the Commonwealth and Victoria in relation to the announcement of projects.

Senator CARR—What do you mean—just on the announcement or the approval? How many have been approved for Victoria?

Mr Hunter—Victoria provided a package of proposals to the Commonwealth in October.

Senator CARR—Last year?

Mr Hunter—Yes.

Senator CARR—How many of those were approved?

Mr Hunter—The majority of those were approved by the Commonwealth ministers, and the Victorian government has been advised of that. As I understand it, discussions are under way at the moment in order to facilitate an announcement.

Senator CARR—Mr Hunter, when was the Victorian government advised of the Commonwealth's acceptance of those projects?

Mr Hunter—I will just check my notes, please. On 4 January.

Senator CARR—How many projects?

Mr Hunter—I do not have that information available.

Senator CARR—How many were in this package of measures that Victoria brought forward?

Mr Hunter—I would need to take that on notice, I think.

Senator CARR—Thank you. When did South Australia put in their applications?

Mr Hunter—I do not have that information with me.

Senator CARR—If they signed the agreement in the middle of the year, do I assume that the South Australians put in applications in the period between, say, July and October?

Mr Hunter—I can now confirm that the South Australian bilateral was signed in June 2001. The media statement that I have a copy of here indicates that the announcement of the package of measures for South Australia was made on 24 October.

Senator CARR—On 24 October. It just seems to me that there is remarkable efficiency in regard to South Australia but there is quite a considerable delay in the case of Victoria. Could you enlighten me as to what reason there might be for the difference in approach?

Mr Hunter—I have not done a calculation of the difference in timing. But I am aware that, in the case of the proposals put forward by Victoria, the response that I mentioned from Commonwealth ministers indicated that most, but not all, of the projects had been approved for funding and were keen to go ahead with an announcement of that at that time. Victoria, as I understand it, sought clarification from the Commonwealth in relation to the projects which were not approved for funding.

Senator CARR—Yes. You would expect that, wouldn't you?

Mr Hunter—It was in that period that an announcement was not made.

Senator CARR—So all the money for South Australia will be paid this financial year. What is the total value?

Mr Hunter—The total value of the package for South Australia was \$15 million, of which \$7.5 million was Commonwealth provided funding.

Senator CARR—And that process, obviously, was between June and October?

Mr Hunter—The approval of the projects occurred during that time. The first payment, pursuant to that agreement, was made on 12 February 2002, and it was a sum of \$1.79 million. That was a first payment. I do not have the information available to me as to the size and frequency of the following moneys.

Senator CARR—I would like to know. I would also like to know whether the applications that have been agreed to in regard to Victoria will be paid this financial year or if they will be carried over to the next financial year. Maybe that helps explain the delay. Maybe my concern that this has something to do with the South Australian election is misplaced.

Senator Hill—Your what?

Senator CARR—The funding arrangements that have been put in place—

Senator Hill—South Australia signed first and got on with the job; Victoria did not. As I recall it, the brief relating to Victoria arrived with ministers immediately before the federal election.

Senator CARR—So when was the decision made to fund the South Australian projects? What was the date on which the approvals were signed off?

Senator Hill—They must have that. I can remember that, in the brief that I got, I had a number of queries and sent it back for further advice. I guess that process would have gone over a month or two.

Mr Hunter—I do not have the date of the final approval of South Australian grants.

Senator CARR—Could you find that for me.

Mr Hunter—I would be happy to get that for you.

Senator CARR—Obviously, you will be able to tell me that it was before 8 October, won't you?

Mr Hunter—That would certainly be my understanding.

Senator CARR—I would like to know when the Victorians are going to be paid for their projects as well. Could I have a list of the projects that have been approved, and the reasons for those that have not been approved.

Senator Hill—One of them, I recall, was really quite complicated.

Senator CARR—We will have a look at those and come back to you on them. In effect, they were the first-year projects. Is there a second-year line of funding?

Mr Hunter—We would anticipate that this mechanism of foundation funding and priority projects is likely to be used in other jurisdictions as they come on board and sign the bilateral agreement. But the longer-term funding model is to provide funding to implement integrated natural resource management plans. Those plans would firstly need to have been accredited by both the Commonwealth and the state governments, and then the funding would be available to support the implementation of those plans. Indeed, the same plan would not just be the vehicle for funding support from the national action plan but also be from the Natural Heritage Trust, as Mr Kitchell has explained.

Senator CARR—Mr Hunter, of the year 2 funding arrangements, what is the underspend there?

Mr Hunter—The current financial year—2001-02—is in fact the second year of the program. The first year was 2000-01.

Senator CARR—We have an underspend in the first year; we do not know what the order is—or can you tell me that now?

Mr Hunter—My comment was about the level of underexpenditure in the current financial year, 2001-02.

Senator CARR—We take that back then. In the first year, what was the level of underspend?

Mr Hunter—The actual level of expenditure in the first year was \$1.7 million.

Senator CARR—What was the budget?

Mr Hunter—\$5 million.

Senator CARR—So it is a fairly big underspend, isn't it?

Mr Hunter—It is \$1.7 million versus \$5 million.

Senator CARR—That is quite a lot. We will all agree, whatever our mathematical skills are. What do you say in the second year?

Mr Hunter—As I indicated to you, the budget for the current financial year, 2001-02, is \$65 million and, as I indicated before, I would only be guessing as to what the level of underexpenditure would be this year. I indicated to you that I thought there would be some.

Senator CARR—I have been around Commonwealth officials for a few years but, in my experience, it is usually pretty awkward when you have to announce to an estimates committee that you have not been able to spend the money that the parliament has appropriated, and not just that but for two years in a row. What is the mechanism in place to ensure that money that the parliament appropriates to you is actually spent?

Senator Hill—Is that under the national action plan? The issue is, firstly, the states had to sign on to the agreement they had reached in principle at COAG and it has taken some of those states a year to do so. One, Western Australia, most critically affected by dry land salinity, still has not done so, as I understand it. Then there has to be a bilateral agreement drawn up between the state and the Commonwealth that sets out the basis on which the expenditure of the Commonwealth contribution will be made. Then the projects have to be developed and they are principally developed by the states. The bids are in effect made to the Commonwealth; they then have to be analysed by the Commonwealth because, not surprisingly, states tend to have their favourites, which are not necessarily going to be those that will achieve the best outcomes on the ground. Subsequent to that, when the right projects have been identified they can be approved and the money can be paid. It is absolutely pointless to be paying the money if you are not going to get a decent outcome on the ground.

Senator CARR—No, of course.

Senator Hill—The Commonwealth has been wanting to spend this money now for a long time—

Senator CARR—It is an interesting observation.

Senator Hill—but land resource management is still principally the responsibility of the states. They cry out for support, but when it comes to actually delivering the basis on which the support can be given it seems to be very slow because they are all playing their own games.

Senator CARR—This, again, is not an unusual concern being expressed by a Commonwealth minister for the environment, as you were at the time. Equally, it has been said that it is a very dangerous thing to get between a Premier and a bucket of money. I am just wondering why it is so difficult.

Senator Hill—The states, of course, say the Commonwealth should just write them a cheque and they will use the money responsibly.

Senator CARR—So, as far as you are concerned, it is the conditions the Commonwealth is seeking to impose on the expenditure of Commonwealth moneys, is it?

Senator Hill—Correct.

Senator CARR—That is the essence of the problem?

Senator Hill—Yes.

Senator CARR—And do you anticipate that—

Senator Hill—To ensure that the Commonwealth gets the best value in terms of the environmental and sustainable agricultural objectives, which are the basis of the program.

Senator CARR—I am told that it is a five per cent contribution required from both the states and the Commonwealth for administrative purposes. Is that the case?

Mr Hunter—Up to five per cent of the program costs is available for activities which support the implementation of the program. In the case of the Commonwealth there is, I believe, \$35 million identified as departmental expenditure and the remainder, \$665 million, identified as administered expenses. The \$35 million is to support staff and other activities associated with the implementation of the program, for example, consultancies or other work that we may need to commission in order to establish the NAP.

Senator CARR—But the bulk of the money is going to be on wages?

Mr Hunter—I would need to get a breakdown of—

Senator CARR—Could you please get us a breakdown of the five per cent? What is the Commonwealth doing with the five per cent? What consultancies are required and for what purposes, and why aren't those persons being employed by you rather than being contracted out?

Mr Hunter—I could give you an illustration of one consultancy with which I am familiar. Part of the national action plan is to develop a framework of standards and targets—as we refer to them—which define, in particular, the matters for which targets need to be set at the regional level in order to achieve the salinity and water quality outcomes that we are seeking. We let a consultancy to the CSIRO in order to provide us with advice as to some of the technical aspects of how such targets might be set. It is that sort of knowledge infrastructure to support the program that I referred to.

Senator CARR—Fair enough. Are you spending any money on advertising?

Mr Hunter—I believe some of those funds have been spent on information materials in relation to the national action plan: leaflets, pamphlets and so on.

Senator CARR—What about market research?

Mr Hunter—I am not aware of any, Senator.

Senator CARR—Does that mean you are not spending it, or that they have not told you?

Mr Hunter—I am not aware of it. I think I would need to—

Senator CARR—Would you take that on notice please, and whether or not you are planning any public relations exercises that require funding. What do they call it—communication strategies.

Mr Hunter—In the bilateral agreements we have struck with states to date we have included provision for the Commonwealth and the state to jointly develop a communication strategy for the implementation of the national action plan in that particular jurisdiction. The plan depends greatly on the capacity of regional communities to develop and implement their integrated natural resource management plans and having a knowledge of and understanding of the issues—

Senator CARR—I can understand that, but are there proposals to have any electronic communications strategies developed?

Mr Hunter—I would need to come back to you about that, Senator.

Senator CARR—We are particularly interested in regional TV, for instance, regional radio and obviously the timing of such strategies. Thank you very much.

Mr Hunter—Certainly.

Senator CARR—I have just one final issue, and that is to do with the difficulties you are having with Queensland. I raise this in the context of land clearing questions, which I understand are one of the major causes of salinity. Can you advise as to whether or not there is a requirement under the NAP funding agreements for a reduction in land clearing?

Mr Hunter—The intergovernmental agreement for the implementation of the national action plan contains a clause which secures the agreement of the parties to a prevention on land clearing in the NAP priority regions where it would lead to unacceptable land and water degradation by a certain date. So the link to land clearing is in the priority regions themselves, and is very closely related to the link between land clearing and the degradation processes.

Senator CARR—So the provisions for reductions in land clearing apply only to those designated areas?

Mr Hunter—That is correct.

Senator CARR—Not across the state?

Mr Hunter—No.

Senator CARR—What sort of impact do you think such a measure will have to improve salinity? Do you have any assessments at all?

Mr Hunter—A key feature of that particular provision is that it prevents us from finding ourselves in the situation where we would be funding ameliorative activities in a region while other activities which are likely to increase the degradation are still going on.

Senator CARR—It does seem a bit silly.

Mr Hunter—As to the precise impact of that provision on the levels of increase in salinity, I do not think I could give you an estimate.

Senator CARR—Do you think that is significant? If that is a major issue in dispute, wouldn't it be helpful for the Commonwealth to be able to demonstrate, at more than just the intellectual level, that this is a serious matter?

Mr Hunter—I do not believe that there is much scientific debate about the linkage between the loss of vegetation cover—

Senator CARR—So surely there would be no trouble getting the evidence together if that is the case?

Mr Hunter—Perhaps I can also indicate that, in terms of the discussion with Queensland, they have progressed significantly in recent times to the extent that an agreement is under consideration now by the two governments.

Senator CARR—What stage is it at? Is it at the point of initialling one, or is it close to finalisation? How would you describe that?

Mr Hunter—The text of an agreement is under consideration for signature.

Senator CARR—That is very good news. Thank you—I will see you in May.

CHAIR—We now have to determine the next program. What we are going to do is come to the top of the list again and go down the list, with policy coordination being the next obvious area.

Senator CARR—Is that the legislation branch?

Ms Tinney—Approvals and legislation comes under the Approvals and Legislation Division, that is, the Environment Protection and Biodiversity Conservation Act.

Senator CARR—When does the Antarctic Division appear?

Ms Tinney—The Antarctic Division was not called; there were no questions for them. We were advised that the Antarctic Division was not required to attend.

Senator CARR—Is that right?

CHAIR—That is what we were advised. You could put any questions you have to them on notice.

Senator CARR—I could probably wait until May too. They will not go away.

CHAIR—They will not go away, that is true. But we need to decide who we will call now.

Senator CARR—I have material in regard to the Australian Heritage Commission, the Greenhouse Office and, I presume, the Policy Division in regard to radioactive matters.

CHAIR—Senator Allison, will you be calling people outside those areas: Policy Division, Approvals and Legislation Division, Australia World Heritage Division and the Natural Heritage Division?

Senator ALLISON—I want to go back to the shale oil mining question and ask about that committee. I have some more general questions to Environment Australia—I am not sure what department deals with them.

CHAIR—Let us go the shale oil question. The relevant officers from the Approvals and Legislation Division are here.

Senator ALLISON—It is essentially my question to GBRMPA and it relates to a document back in 1999 concerning a request by the Stuart shale oil project to establish a group ‘to oversee studies and research on the stage 3 development aimed at minimising its impact particularly on the marine environment.’ I wonder whether this was a request made to Environment Australia, whether that request was acceded to and whether the Commonwealth government has had any involvement with such a group?

Mr Early—I might have to take that on notice, Senator. I am not aware of the group existing and I am not quite sure what correspondence you are talking about.

Senator ALLISON—It was a document which was sourced under freedom of information and it was a request from the developers of the Stuart shale oil—that would be Southern Pacific Petroleum NL and Central Pacific Minerals NL—to establish a group, as I said, for that purpose. Does anyone have any idea? Mr Kahn, have you heard of it?

Mr Kahn—No.

Ms Tinney—We will have to take that on notice, Senator.

Senator ALLISON—I also have a number of other questions about the operation of the group.

Ms Tinney—Would you like to put those on notice and we will get answers for you.

Senator ALLISON—I will do that.

Senator CARR—I refer to nuclear issues and begin with a few matters relating to the Beverley uranium mine in South Australia. When were you advised about the problem with the leaching at the Beverley uranium mine?

Mr Early—We were advised after it appeared in the media.

Senator CARR—What action have you taken after the media reports?

Mr Early—We have obviously liaised with South Australia to find out information about the spill but we do not have a formal role in the process because the day to day management of the mine is done by the Office of Minerals and Energy Resources in South Australia under the environmental assessment process. As you know, that was carried out under the Environment Protection (Impact of Proposals) Act, rather than the Environmental Protection and Biodiversity Conservation Act, and therefore we have no role in attaching legally binding conditions to the approval.

Senator CARR—So the Commonwealth department of the environment watches or reads the press, like all other citizens. Powerful organisation you have got there, isn't it?

Mr Early—I think it wasn't just Environment Australia who read the press, Senator, it was quite a few organisations that did so. We have subsequently talked to South Australia and there is a committee set up, which we are a member of, and we have been assured that we will get information in the future.

Senator CARR—Good.

Mr Early—But as I say, those matters were primarily the legal responsibility of the South Australian office of minerals and energy.

Senator CARR—It seems to me you were a bit like a spectator at a road accident, though.

Mr Early—It is part of the reason why the legislation was changed. The previous legislation was, as you alluded to earlier, not as good as it should have been, which is why the legislation has now been changed.

Senator CARR—So you can assure us that in the future you will have a greater role?

Mr Early—We will know, hopefully, more about what is happening, but unless a spill constitutes a significant impact on a matter of national environmental significance in some new way, then we really do not have a formal role.

Senator CARR—In this case, did the mine actually shut down after the most recent incident?

Mr Kahn—It stopped producing uranium for production, but it had to keep on circulating fluid through the mine to stop it clogging up, to use technical terms.

Senator CARR—Sure. So what is the procedure then? You were advised of that? Were you party to that in any way or did you read about that in the press too?

Mr Early—No, we got information for that from South Australia, but essentially that process of shutting the mine down and inspections and it reopening was part of the responsibilities of the chief inspector of mines for South Australia.

Senator CARR—And you had no role in that?

Mr Early—No, Senator.

Senator CARR—How does the department feel about that? Are you encouraged by that in the work that you are trying to do?

Mr Early—We are encouraged by the fact that the legislation has changed, so we will not have that situation in the future.

Senator CARR—What does the committee do that you have been granted membership of?

Mr Early—It is really a consultative committee. It meets a couple of times a year with interested community members and government departments to—

Senator CARR—What is it called?

Mr Kahn—Beverly Environmental Consultative Committee.

Senator CARR—I see, that is very good, very imaginative. So it sort of has a cup of tea every couple of months and you talk about things—like why you are not consulted about major environmental hazards. Is that the sort of thing you would raise at a committee like that?

Mr Early—It is a question of definition of what ‘major environmental hazard’ is, I guess.

Senator CARR—Just go through it with me. I mean, like you, I read it in the papers. My recall is that this was a major problem. Mr Kahn, would you agree? You had to close the mine. I would have thought that constitutes a major problem.

Mr Kahn—It is a major problem in the sense that you would not expect pipes to burst in that way under those conditions. So it was an accident, an incident, but there was no direct environmental impact or harm to workers or anything like that.

Senator CARR—To workers. Where did all this water go? Was it collected?

Mr Kahn—It was collected within the mine site area and returned to the central disposal ponds.

Senator CARR—And out of this we get a committee?

Mr Kahn—No, the committee was part of the recommendations on the original assessment.

Senator CARR—Oh, I see, so it was supposed to be there all the time?

Mr Early—It has been in operation but it had not met immediately following this incident.

Senator CARR—How long has it been in existence?

Mr Early—I am not sure, Senator. I will have to take that on notice.

Senator CARR—And how long since it last met? How long has the mine been operating now?

Mr Early—It met quite recently after—

Senator CARR—I bet it did, recently, but before then?

Mr Early—I think probably within six months, or 12 months—I am not sure. But I can take that on notice.

Senator CARR—You would expect a committee like this to meet regularly, given that it is the only method that you have of consulting.

Mr Early—It should meet twice a year.

Senator CARR—Can you refresh my memory—how long was this mine operating?

Mr Kahn—It started in November 2000.

Senator CARR—So we would have an expectation that there would have been at least four meetings. That would be fair, wouldn't it?

Mr Early—I am not sure—I would need to take that on notice.

Senator Hill—A couple of meetings, isn't it?

Senator CARR—It should have met every six months according to the original EIS arrangements. I get the feeling from the officers that it may not have met quite that often.

Mr Early—It has met at least twice. I am not sure—

Senator CARR—So it met once after the incident, and once before the incident, sometime in the last two years? That would be unfair, would it?

Mr Early—I do not know, Senator—that is why I said I would take it on notice. I would say that it has met at least twice, and maybe more times.

Senator Hill—Don't intimidate the witness.

Senator CARR—Senator Hill, it is obviously a matter that demonstrates the department's close attention to these sorts of issues—in your own state, too, I note. I know that you are concerned about South Australia—

Senator Hill—This is a mine that is licensed under South Australian state law and supervised by the South Australian authorities.

Senator CARR—Clearly there has been some—

Senator Hill—We have an interest in the issue, obviously, because—

Senator CARR—Marginal, by the sound of it. Your activity involves a committee that does not meet.

Senator Hill—I would not say marginal. Our interest is, rather, to learn from these experiences in relation to other applications that may be received.

Senator CARR—So what have you learned from the experience, Minister?

Senator Hill—I guess that the department has learned that things can go wrong.

Senator CARR—In the nuclear industry.

Senator Hill—They will no doubt take that into account in further approval processes.

Senator CARR—This is very enlightening.

Senator Hill—The technology is not a new technology. It might be new in Australia, but it is well proven. We have plenty of experts who argue that it is the safest way to mine uranium.

Senator CARR—It is just that we had some pipes burst that we did not think would burst.

Senator Hill—That is right.

Senator CARR—Perhaps we can have a look at a few others and see, since—

Senator Hill—A few other what?

Senator CARR—A few other issues regarding radioactive waste matters. I am wondering if you could tell me—or can one of the officers perhaps advise me—where do we stand regarding the development of a national repository for nuclear waste in this country?

Senator Hill—This was the repository that the previous Labor government advocated. Where are we up to?

Mr Early—We are awaiting the draft environmental impact statement to be released for public consultation. We expect that to happen in about March or April this year.

Senator CARR—What is the site that you have selected?

Senator Hill—There are two sites being examined.

Senator CARR—Only two?

Senator Hill—Three sites, I am sorry. There is one preferred site and two alternatives.

Senator CARR—Is one of these sites near Woomera?

Senator Hill—It depends what you mean by ‘near Woomera’? If you look at the map, they are all near Woomera.

Senator CARR—Yes. So they are all in that region?

Mr Early—That is right.

Senator CARR—Is it the case that under the current act the present minister will have full decision making powers under the proposals for the establishment of such a site?

Mr Early—Yes. The minister will have approval powers. As I said, that is the distinction between the new act and the old act.

Senator CARR—Which is a decided improvement.

Senator Hill—Absolutely. I am pleased that you acknowledge that. I did not see much enthusiasm when the legislation was before the Senate.

Senator CARR—Senator Hill, I have had some interest in these matters for some time. If you go back to when the Labor government was in, we expressed similar concerns about Point Wilson and a few other places in Victoria.

Senator Hill—You did not do anything about legislative change. You did not try to reform the legislation.

Senator CARR—You have been in office since 1996, and I think you can now safely assume that you are carrying responsibility for what has occurred.

Senator Hill—I am pleased to in relation to that legislation.

Senator CARR—In terms of these proposals for the sites near Woomera, what are the transport corridors that you are intending to take the shipments through?

Mr Early—It is really up to the proponent to provide that information in relation to the draft environmental impact statement.

Senator CARR—So you do not have that yet?

Mr Early—No. That is what we are expecting in March-April.

Senator CARR—I take it that this will take waste from Lucas Heights? Is that right?

Mr Kahn—Yes.

Senator CARR—In fact, would that be the major source of waste?

Mr Kahn—That would be the major source of waste, yes.

Senator CARR—Given that the government has agreed and, as I understand, has signed a contract for a new reactor at Lucas Heights, can you advise me what is the waste disposal program?

Mr Kahn—The waste repository we are talking about now is the national low-level waste repository. That is the only one that has been referred under the EPBC Act.

Senator CARR—We do not have a decision on the low-level waste from Lucas Heights yet?

Mr Kahn—In terms of assessment processes, no.

Senator CARR—What is happening at the moment with low-level waste? Where does it go?

Mr Kahn—At the moment, we do not really have the details of that. It is not directly our responsibility. It will be outlined in the EIS; that is part of the terms of reference. I understand that it is held in various places across Australia in local sites. Some of those may be in the basements of universities and a variety of other places like that.

Senator CARR—How much waste is there?

Mr Kahn—I do not know. I do not have the details here.

Senator ALLISON—Does EA do an audit of the waste material? Quite a lot of it is Commonwealth responsibility, is it not? Is there an audit that has been done in recent years of that material?

Mr Early—That is really the responsibility of the science portfolio.

Senator ALLISON—Does EA take no interest in the subject?

Mr Early—ANSTO has primary responsibility. What information we have we get from them as a result of these assessment processes.

Senator CARR—I appreciate that, and obviously we will be pursuing these questions in other committees. Invariably what occurs in these other committees is that they suggest we go and talk elsewhere, so we are here to get the benefit of your knowledge on this question. We have discovered so far that essentially we do not have a national storage site?

Mr Early—That is the proposal that is currently—

Senator CARR—Yes, that is right. So you are proposing to build one, but you do not have one yet.

Mr Early—We are not proposing to build anything.

Senator CARR—You are not?

Mr Early—No. We are assessing a proposal.

Senator CARR—I take your point. The Commonwealth is proposing to establish a national repository. You are doing the assessment and that is basically where it sits. What about the high-level waste? Where does that go?

Mr Early—Australia does not really generate high-level radioactive waste.

Senator CARR—We do not have any? Are you saying that we do not have any high-level waste?

Mr Early—No. That is right, Senator.

Ms Tinney—I really think, Senator, that this is a question that we are not qualified to engage in. I apologise for that, but it is not our responsibility to monitor these things but only to do impact assessments.

Senator CARR—So the disposal question is entirely a matter for ANSTO, is that right?

Ms Tinney—As far as I am aware it rests totally within the science portfolio.

Senator CARR—Where else might it rest?

Mr Early—That is where it rests, as far as I know.

Senator CARR—The department of environment has no responsibilities here at all?

Senator Hill—State health departments would have some responsibilities in relation to waste in hospitals and—

Senator CARR—No, I am talking about the Commonwealth department.

Senator Hill—universities would have responsibilities.

Senator CARR—Are you sure that is true, that the Commonwealth department of environment has no responsibility for the development of a nuclear waste disposal strategy in this country?

Senator Hill—Not a strategy; basically the nuclear industry is supervised by ANSTO and that stream of regulatory bodies. The role of Environment Australia has been principally to do environmental assessments of various proposals, whether they have been for a new reactor, a uranium mine or a waste disposal repository.

Mr Early—ARPANSA also has a role—the Australian Radiation Protection and Nuclear Safety Agency. So there are agencies with specific responsibilities in this area.

Senator CARR—But not you?

Mr Early—Our only role is in relation to the assessment of proposals which might have a significant impact on matters of national environmental significance.

Senator CARR—That is fine, and that is why I come back to the question about the new reactor. It is my understanding that spent fuel rods in a nuclear reactor might be regarded as high-level waste. They might be described as either high or intermediate level, but nonetheless it is nasty stuff. What was the involvement of the Commonwealth department of the environment in the environmental impact assessments of the proposed new reactor at Lucas Heights?

Senator Hill—It supervised the environmental assessment.

Senator CARR—In that process, what was your consideration of the waste disposal strategy for that site?

Mr Early—That was one of the recommendations, Senator; a number are still outstanding. One is in relation to the environment management plan for the construction of the facility, and the second one was in relation to arrangements for management of the spent fuel rods that you are talking about. We are awaiting information on those issues.

Senator CARR—Are you telling me that the Commonwealth processes have not been concluded?

Mr Early—Not finally, Senator.

Senator CARR—When do you anticipate that they will be?

Mr Early—Fairly soon, I think.

Senator CARR—Do you anticipate that there will be an environmental statement that satisfies you about the disposal of spent fuel rods?

Mr Early—We are certainly considering such arrangements, yes.

Senator CARR—So there is a proposal before you at the moment?

Mr Early—Yes, the disposal arrangements are included in the contract.

Senator CARR—What are they? Do not tell me they are commercial-in-confidence.

Mr Early—Those issues are currently under consideration by ARPANSA, and they will be covered when the CEO issues a licence to construct, which has not yet been issued.

Senator CARR—I am told that the government is about to sign contracts for the construction—\$300 million worth of contracts. In fact, I thought they were due to sign them today or yesterday.

Mr Early—Once again, I think they are not really matters that we have complete knowledge of.

Senator CARR—How can they sign these construction contracts when the environmental assessment processes have not been concluded?

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

Senator ALLISON—The minister might be able to assist with that question.

Senator Hill—Some of the conditions required that development was subject to settling issues in relation to disposal of waste to the satisfaction of the Commonwealth.

Senator CARR—That is you, he just said. You are the Commonwealth in this regard. You are the agency responsible for issuing those approvals and you have not done so; is that the case or not?

Mr Early—No, we do not issue the approval.

Senator Hill—No, wait; this was an assessment under the previous legislation—the one we inherited from Labor—in which case the environment minister does not make the final decision; he makes recommendations. But I made a recommendation in relation to the disposal of waste which was that it had to be approved. And, as I recall it, that recommendation was accepted by the so-called action minister. If somebody can find the recommendations we might be able to make progress.

Senator CARR—Yes, that would be helpful. Thank you, Senator.

Mr Early—It was the one I referred to, recommendation 26:

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

Senator CARR—I got that second bit, but I take it that the minister has been satisfied, under the terms of that clause?

Senator Hill—Not that I know of.

Mr Early—No.

Senator CARR—That is still to be done.

Senator ALLISON—The recommendation was ignored, in other words.

Senator Hill—Why do you say that?

Senator ALLISON—If the contract is about to be signed and you had—

Senator Hill—As I understand it, the recommendation became a condition of the approval.

Senator ALLISON—Yes, but we are talking about the fact that the contract is about to be signed and there appears to have been no approval provided.

Mr Early—We are not sure when the contract is about to be signed.

Senator Hill—It is pretty risky then.

Senator CARR—Sorry? Are you saying you do not know that?

Ms Tinney—We do not have that information.

Mr Early—We know the contract has not been signed and we do not—

Senator ALLISON—Do you expect this part of the process to occur before the contract is signed?

Mr Early—That is right, yes. That is why I made the—

Senator CARR—Could I get a copy of the document that you are reading from, if you do not mind.

Mr Early—Certainly.

Senator CARR—It does not sound as if it is one of your briefing notes.

Mr Early—It is actually on the public record.

Senator CARR—I figured that—if I could have a copy of that I would appreciate it very much.

Mr Early—Yes.

Senator CARR—You are not aware of when the contracts are to be signed?

Mr Early—No, not really, although we expect it to be reasonably soon and we expect some of these issues to be resolved.

Senator CARR—With the minister for the environment being a party to that agreement, as I understood the terms of it—to the satisfaction of both the minister and ARPANSA; is that correct?

Mr Early—That is right, yes.

Senator CARR—Have you provided any advice to the minister?

Mr Early—No, not yet.

Senator CARR—So you have not been advised of when these contracts are to be signed?

Mr Early—No.

Senator CARR—There are the reports in the press; for instance, the *ABC Science Show* last week broadcast that these contracts were to be signed in three days—that was last Friday.

Mr Early—Although there was an article in the paper this morning suggesting that they would be signed in March, so I do not know how accurate the media might be on some of these.

Senator CARR—That is fair enough. I mean, if you do not know when they are going to be signed we are obviously at some disadvantage. But, as far as you are concerned, no approvals have been recommended to you, or you have not recommended approval to the minister?

Mr Early—No.

Senator CARR—And I take it from what you are saying that you will undertake an exhaustive process to satisfy the department that the minister should approve the waste disposal arrangements?

Mr Early—Yes, we will be examining the matter, Senator, and providing recommendations and advice to the minister.

Senator ALLISON—There is no proposal, is there, for waste from the reactor? That is the problem, isn't it?

Ms Tinney—I think what Mr Early is saying is that we have not received a proposal to deal with this recommendation.

Senator CARR—Senator McLucas would like to ask you a few questions about this matter as well. I am at a loss to explain how a contract of the dimension—\$300 million for a nuclear reactor—is about to be signed, whether it is today, whether it has already been signed yesterday or whether it is in two weeks time—

Senator Hill—But I think that is a question you should ask the industry minister.

Senator CARR—It is the minister for science, actually.

Senator Hill—Then you should ask the industry minister if they are not taking something of a risk in signing a contract when full environmental approvals have not been given, if that is the case.

Senator CARR—Thank you very much, Senator Hill. I will recommend you as a consultant to the opposition. I would like to suggest to you that I am asking your officials at the moment.

Senator Hill—But you are asking the wrong officials.

Senator CARR—No, I do not think I am. That is the point.

Senator Hill—No, that is why it is taking a long time, because you are trying to get information from the inappropriate person.

Senator McLUCAS—What section of the department of the environment would do the assessment of whether or not there was an appropriate disposal strategy in place?

Mr Early—The Approvals and Legislation Division, but—

Senator CARR—That is you, isn't it? We have got the right people, haven't we?

Mr Early—Yes. We would take advice from all the various other areas of the department that might have expertise to offer in that assessment.

Senator McLUCAS—Do you have many nuclear scientists on staff?

Mr Early—We have people qualified in the Office of the Supervising Scientist who are very well qualified in these matters. I am not sure we have anyone in the Approvals and Legislation Division, but I am not sure of all the qualifications that people have.

Senator McLUCAS—Has there been any assessment of how long this assessment might take?

Mr Early—It is a bit hypothetical, Senator, when we have not—

Senator McLUCAS—It might take a little bit more than a couple of weeks?

Mr Early—I do not know, we will see.

Ms Tinney—Perhaps I could assist? The contract that Senator Carr is talking about could be signed, subject to the appropriate authorisations being given and, although we do not know of a contract signature date, it may be that that is what it is about.

Senator CARR—Thank you for your assistance. I understand that a construction licence has actually been approved by ARPANSA already for the Argentinian company, INVAP, to build a second reactor at Lucas Heights. Is that correct?

Mr Early—Not as far as we know, but I would have to check.

Senator CARR—You have not been told about it?

Mr Early—We do not think it has been signed.

Senator ALLISON—On a proposal for high-level waste such as that to be produced by Lucas Heights, would the minister need to go through the EPBC? That would be a new proposal and therefore subject to the requirements of that legislation?

Mr Early—We would obviously have to see the proposal but on the face of it I would say yes.

Senator ALLISON—Because the reactor was proposed prior to the legislation it is, of itself, not subject to the legislation but a proposal to deal with its waste would be?

Mr Early—Depending on the nature of the proposal, yes.

Senator ALLISON—And would you expect that the process to be gone through in order to agree about a site for storage of that high-level waste would not happen in the next fortnight? It would take some time?

Mr Early—If there was a proposal for a site, it certainly would not happen in the next couple of weeks, but there may well be other strategies for dealing with the waste.

Senator ALLISON—Other strategies for dealing with the waste? Like sending it offshore for reprocessing?

Mr Early—It is a possibility, yes.

Senator CARR—But at this point ANSTO have not provided you with any documentation on a waste disposal strategy for Lucas Heights?

Mr Early—We have got bits and pieces along the way.

Senator CARR—Bits and pieces.

Mr Early—The whole environmental assessment process provided a lot of information but, as Senator Hill said, there were a number of recommendations made as a result of that assessment process. It is not as though we do not know anything about what is being proposed, but the final details are still being discussed.

Senator CARR—This is a substantially larger reactor than the current one? Would you agree?

Mr Early—Certainly more modern and efficient.

Senator CARR—I am not arguing the toss about whether it is a great thing or not. I want to get an idea of the scope of the issue. I would suggest to you that the question of spent fuel rods does fall into the classification of high intermediate level of radioactive waste. This is a position that in fact has been identified as a major cause of concern since 1993. Senator McLucas was on the relevant Senate inquiry and will know more about it than I. Professor McKinnon's research reactor review recommended that the new reactor would in fact be appropriate. However, a high-level waste site has to be identified and work started immediately on that. That has been ignored. I quote:

A crucial issue is final disposal of high level wastes, which depends on identification of a site and investigation of its characteristics. A solution to this problem is essential well prior to any future decision about a new reactor.

That clearly has not happened.

Mr Early—But that is consistent with the recommendations as approved by Senator Hill. That is what recommendation 26 effectively says.

Senator CARR—Except that you do not know anything about this waste disposal strategy and we have all agreed the contracts either have been or are about to be signed.

Mr Early—I wouldn't say that we do not know anything about it.

Senator CARR—Where is the site? What are the sites under consideration?

Mr Kahn—The national storage facility processes have just started off again and that is the responsibility of the department of science.

Senator CARR—And that is for low-level waste?

Mr Kahn—No. That is for the intermediate-level waste, which is the waste storage facility. A public discussion paper was being put out in the second half of last year. People have put comment in and I understand another discussion paper responding to those comments will be put out some time in about March this year. That is not our portfolio's responsibility.

Senator Hill—But is it not the point that the waste has been stored for years at Lucas Heights and most people think that that is not satisfactory in the long term and therefore the country must move towards a better alternative.

Senator CARR—We would all agree with that.

Senator Hill—You are talking about this new reactor. All the new reactor is doing is replacing the plant. The problem is a long-term problem and has been existing for a long time.

Senator CARR—But construction of the new reactor is about to be commenced. I am still at a loss to find out what the strategy is for the disposal of the waste.

Senator Hill—The long-term disposal of the waste.

Senator CARR—So you are just going to keep storing on the current site? Is that the plan?

Senator Hill—That is where it is stored at the moment.

Senator CARR—But is that the plan for the new reactor?

Senator Hill—I am not planning it. You should ask the people who are managing the plant.

Senator CARR—In regard to the South Australian low-level waste depository, it says reactor construction should not be authorised—

Senator Hill—I do not know what the contract says and whether the contract is subject to the approvals being given.

Senator ALLISON—So the contract could be signed, but—

Senator Hill—The recommendations says:

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

It sounds highly commendable.

Senator ALLISON—Minister, what is the point of having a contract if you are not allowed to go ahead and construct it?

Senator Hill—Good point.

Senator CARR—We will take your advice and, as I say, we will go down to another committee and have a talk to them about it. But we are enlightened. Can I just ask you about an additional question that has now arisen in South Australia? I understand that there has been a statement made by the pro tem Labor government in South Australia that they are going to prohibit the use of the repository site and the transportation of waste across South Australia. Are you aware of that, or are the officers aware of that statement?

Senator Hill—The Western Australian government passed legislation—I think that all of the state governments passed legislation refusing to hold the waste. It will stay where it is now—in hospitals and universities, and scattered across the country. What a negative way to resolve a national problem.

Senator CARR—I would not get too carried away with this, I just want to indicate—

Senator Hill—They are all Labor state governments.

Senator CARR—State governments are renowned for their capacity to think in national terms.

Senator Hill—At least the previous federal Labor government believed that a national repository was a good thing. With this Labor opposition, you would not know where it is—

Senator CARR—Is that right—you wouldn't know? Since you have a clear policy on this, Minister, can you advise me whether the Commonwealth government intends to use the Land Acquisitions Act to acquire a repository site?

Senator Hill—I think we already own the land.

Mr Early—And it is really not—

Senator CARR—In terms of access routes to that repository, do you intend to use that act?

Senator Hill—At the moment nuclear waste from Lucas Heights is carted through the centre of Sydney to be sent overseas for reprocessing.

Senator CARR—Is it your intention to take any further legislative action to ensure the operation of the national site?

Senator Hill—I think all of the sites that have been looked at are already Commonwealth land, but if there is a proposal to acquire sites that are not Commonwealth land then that is obviously the business of the department that has the responsibility for the site.

CHAIR—Do you have anything further on this, Senator Allison?

Senator ALLISON—On that matter—no.

CHAIR—Where are we going now?

Senator McLUCAS—To approvals and legislation, if that is in order. I just have a few questions about the approval under the EPBC for the EIS for TGS-NOPEC in the Townsville trough. Can you give me an understanding of where we are up to in that approval process?

Mr Early—It is a controlled action, as you know. Senator Hill, as minister, decided that an environmental impact statement was required. We expect to release draft DIS guidelines in the next couple of weeks, which will be released publicly for public comment before they are finalised.

Senator McLUCAS—How long is the public comment period?

Mr Early—We are proposing 20 business days, but that is subject to our minister's agreement.

Senator McLUCAS—Are you suggesting that that can be shortened?

Mr Early—Yes, it can be, but—

Senator McLUCAS—Has that ever happened in the past?

Senator Hill—Sometimes they do not have any public consultation on the guidelines.

Mr Early—Yes, it is not necessarily—

Mr Kahn—I think that the shortest time that guidelines have been out for public review has been 10 business days, but that would be unusual for an EIS.

Senator McLUCAS—After the consultation, what is the next step in the process?

Mr Early—We would take account of public comment and make whatever necessary adjustments were required. It would then be up to the minister to decide the final guidelines and they would be released. If the company wished to proceed it would need to develop an EIS which meets all the requirements of the guidelines.

Senator McLUCAS—Is there a statutory time for that part of the process?

Mr Early—No, it is really up to the proponent to take however long they need to develop the necessary information.

Senator McLUCAS—Who undertakes the EIA? I understand the proponent does. Do they purchase that service from an entity?

Mr Early—Normally consultants would be involved. They would employ somebody. The big companies might have their own environmental section and do it themselves or, alternatively, they might use consultants to develop it or a combination of both.

Senator McLUCAS—What processes does your division then use to check the integrity of a privately commissioned consultant, or an in-house consultant for that matter?

Mr Early—There is a fairly rigorous public assessment process as well. The proponent has to release a draft environmental impact statement for public comment. Then, in the final EIS, they have to report to the minister about all the comments that have been received and how they have responded to those comments—how they adjusted their EIS or the reasons why they have not taken the comments into account. It then comes to Environment Australia. If the minister accepts that it has met all the guidelines that have been set down, we would then assess the documentation and provide a recommendation to the minister.

Senator McLUCAS—Finally, on TGS-NOPEC, the Townsville *Bulletin* on 14 January reported:

A spokeswoman for Federal Environment and Heritage Minister David Kemp said the Environmental Impact Assessment (which involves seismic blasts in the area known as the Townsville Trough) had started and would be completed in due course.

That report is incorrect?

Mr Early—Yes, I suspect that is a misquote.

Senator McLUCAS—Thank you, you might want to bring that to the attention of the minister.

Senator Hill—To be completed when?

Senator McLUCAS—That it had started and would be completed in due course.

Senator Hill—Perhaps she is talking about the assessment process. If the proponent goes ahead with it, and I am not sure that the proponent is going to go ahead with it—

Senator McLUCAS—Minister, did you say you were sure or not sure?

Senator Hill—I am not sure. It would require a Queensland licence as well. Even if the proponent got through the Commonwealth assessment, the current Queensland government position is not to give a licence. So you might wonder whether the proponent would want to proceed on that basis.

Senator McLUCAS—That is the only reason you are not sure?

Senator Hill—I do not know personally. I have not spoken to anybody.

Senator CARR—I want to go back to some questions on the nuclear waste issue. I asked you a question before about ARPANSA. Am I right that ARPANSA is part of this department?

Mr Early—No.

Senator CARR—Where is it located in the government structures? Is ARPANSA part of the Office of the Supervising Scientist?

Senator Hill—No—you need a lot of practice.

Senator CARR—I do. Where is it?

Senator Hill—It is good that you are here. Industry and science.

Mr Kahn—It is in the Health portfolio.

Senator Hill—It is either in Industry, Education or Health!

Senator CARR—Thank you. So we have clarified that.

Mr Kahn—It is an independent office within the portfolio.

Senator CARR—And no one really knows where it is at. Thank you for that.

Senator McLUCAS—I also wanted to pursue the application by Gulf Clay for a kaolin mine on the Kendall River. The question I am trying to get answered—so we can be quite quick with this, please—is what the reasons were why that application did not trigger an EIA under the EPBC? I will be happy to have those on notice.

Mr Early—Thanks, Senator.

Senator McLUCAS—And on that matter—could you answer this for me now—what date was the application placed on the web site for public consultation? Do you know that now?

Mr Early—I will take that on notice.

Senator McLUCAS—Also, could you tell me what date it closed, how many submissions were received from the community, how many submissions were received late and if those submissions were accepted, and an assessment as to why there were so few submissions.

Mr Early—Yes.

Senator ALLISON—I would like to ask some questions on the EPBC, if I may. Minister Kemp declared the grey-headed flying foxes as vulnerable just before Christmas, and the department will be aware that the Victorian state government proposes to capture, relocate and cage a number of these animals some nine kilometres away from the Botanic Gardens. Has the Victorian state government referred its proposal to the minister as yet?

Mr Early—Not as yet, although we have had an exchange of correspondence and a number of discussions with the Victorian state government and I understand that they will be putting in a referral fairly shortly. The relocation itself is not expected to take place until late March so they do have some time to do that.

Senator ALLISON—I understand that there are various shooting permits for grey-headed flying foxes available for farmers in southern Queensland and parts of New South Wales. Will this now be affected by the declaration of vulnerability for that species?

Mr Early—It depends on the numbers and locations—what sorts of populations and so forth. We now have estimates that there are some 400,000 grey-headed flying foxes, so one would assume that there would be difficulty in introducing permits that relate to very low numbers of those in under the EPBC Act as having a significant impact or as leading to a long-term decrease in the size of an important population.

Senator ALLISON—What do you regard as a small number?

Mr Early—I would not like to say at this stage. But, for example, you would be aware of the successful court action in the spectacled flying fox case where the court held that, I think, of the order of 5,000 was obviously significant. But we would have to look at it on a case-by-case basis.

Senator ALLISON—So that review of the shooting permits is taking place or will take place? I presume that up until now you have not been directly involved because it was prior to the declaration. Is that correct?

Mr Early—Yes, that is right. Victoria has been talking about some possible culling as part of their process and that will be subject to the EPBC Act.

Senator ALLISON—In the Botanic Gardens or elsewhere?

Mr Early—It is one of the options that they are considering. It is really orchardists in Victoria, so it is the same as the situation you are talking about in Queensland. But we would have to look at that on a case-by-case basis because the threshold issue for the EPBC Act is whether there is a significant impact on the species.

Mr Kitchell—Perhaps I can throw some light on that. Victoria has never issued a destruction permit up until now for grey-headed flying foxes, except in the Botanic Gardens.

Senator ALLISON—That is what I thought.

Mr Kitchell—They have had some problems in the Yarra Valley with some orchardists, but they are working with those people, and they do not expect that they will have to issue permits there either. Both New South Wales and Queensland have now set an upper limit on the numbers of animals that would be able to be the subject of destruction permits in those states, and in both cases they make up a relatively low percentage of the total population.

Senator ALLISON—How many?

Mr Kitchell—I am sorry, I do not have the numbers with me at the moment, but they are in the order of two or three per cent of the total population.

Senator ALLISON—From the point of view of farmers, what is the point of a cull which is two or three per cent of the population?

Mr Kitchell—Two or three per cent of the total population—which, as Gerard has indicated, numbers hundreds of thousands—could have a significant detrimental effect in a local situation where local fruit crops are being attacked. It might be a relatively small proportion of the total population, but that might amount to a relatively large number of the local population causing the problem.

Senator ALLISON—What studies have been done to indicate whether the problem will be solved for farmers by removing by culling—shooting—two to three per cent?

Mr Kitchell—The work that has been done indicates that in the long-term it will not solve the problem. It will provide some short-term relief for farmers, especially when fruit is ripening, but in the long-term we clearly have to look at non-lethal methods of deterring flying foxes from these areas. That is the area where we are putting our efforts at the moment, working collaboratively with Victoria, New South Wales and Queensland, the three range states, to develop a concerted plan so that we know more about the biology of these animals—which move between states when the food sources change—and to develop new techniques to deter them where they are causing a legitimate problem, and most of that is around fruit crops.

Senator ALLISON—As you say, two to three per cent is not an enormous number, but it is significant, given that the population has been in decline—by 20 per cent, is it, over the last three years?

Mr Kitchell—I do not have the precise numbers in front of me, but it has been in substantial decline, and that is the reason for it being listed.

Senator ALLISON—Yes. Especially since a cull would appear to serve no purpose, at least beyond one season, if that.

Mr Kitchell—I think that is a fair observation. As I say, the culls—which are not approved by this department but by the relevant agencies in New South Wales and Queensland—are designed to provide that short-term relief in localised areas.

Senator ALLISON—Let us go to the spectacled flying fox. I understand that the spectacled flying fox has been recommended for listing by the scientific committee: is that the case? Mr Kitchell, are you the full bottle on the spectacled flying fox as well as the grey-headed flying fox?

Mr Kitchell—I would not say that I was the full bottle, Senator. You are right in saying that about the spectacled flying fox: it has been recommended and accepted.

Senator ALLISON—And has it subsequently been listed as threatened under the provisions of the EPBC Act? Is that correct?

Mr Kitchell—That is correct.

Senator ALLISON—When did listing occur?

Mr Kitchell—I do not have that information with me, Senator. I would have to take that on notice. The minister is reminding me that I am not the full bottle.

Mr Early—If I could just clarify that: the gazettal has not yet occurred.

Senator ALLISON—So the listing has occurred, but the gazettal has not yet occurred?

Mr Early—That is right, yes. So the listing, as such, has not occurred.

Senator ALLISON—Why is that?

Mr Early—Because it is still under consideration, Senator.

Senator ALLISON—By whom?

Mr Early—By the minister.

Senator ALLISON—Is that unusual? How long does it take between listing and gazettal? Isn't it important to get the gazettal up quickly?

Mr Early—It varies, Senator. Basically, there are issues of management and how to make sure that guidelines are available and how to deal with listings, and those issues need to be addressed as well.

Senator ALLISON—In this respect, what were those issues?

Mr Early—I think it is essentially a policy matter for the minister to talk about.

Senator ALLISON—Minister, can you shed any light on this policy matter, which has caused a delay between listing and gazettal?

Senator Hill—Yes. As was just said, it was to allow time for the growers who are in the middle of their growing season to be able to respond in a sensible and practical way.

Senator ALLISON—So it would not have anything to do with the fact that the rambutan season in Queensland does not end until April, and so this allows the farmers to keep shooting them until that time? Is that the consideration?

Senator Hill—Not quite in those terms. But, as I have just said to you, this decision was made in the middle of the growing season. It is considered important to educate the public that would be affected—and some people will be significantly affected by it—in terms of the consequences of the restraint, and to give them an opportunity to put more humane responses in place.

Senator ALLISON—So you have answered the question in the positive, in other words.

Senator Hill—Under the Queensland—

Senator ALLISON—So the delay is directly—

Senator Hill—As I recall it, in Queensland no further permits are being given for the electrocution of the flying foxes. So no further permits will be given, which provided a sort of window of opportunity for the Commonwealth to implement its rules in a way that appreciates that a certain number of people will be significantly and adversely affected, at least in the short term, by a new protection regime.

Senator ALLISON—Regardless of the fact that we accept that this is a threatened species, and regardless of the fact that we have legislation, we are allowing this window of

opportunity—as you describe it—to allow the electrocution to continue until after the season. Is that a fair summary of what you have said?

Senator Hill—I would not put it like that at all because I said that permits for electrocution are not being given now. But, bearing in mind that this is quite new—and, to Queenslanders, very dramatic Commonwealth intervention in their working lives—one of the lessons that we have learnt is about the need to inform and educate the public as to why certain steps are being taken in the national interest, and to try and work with them to find responses that will enable them to maintain their businesses, but in a way that is more environmentally sustainable.

Senator ALLISON—As I understand it, the legislation requires the minister to amend the list, and, if he or she decides to amend the list, to publish the decision in the *Gazette* within 90 days of receiving the scientific committee's advice. Will the gazettal meet that 90-day time frame?

Senator Hill—On that basis, it will not.

Senator ALLISON—How many spectacled flying foxes are expected to be electrocuted because of that delay? Do we have an estimation?

Senator Hill—As I said, permits are not now given in Queensland.

Senator ALLISON—But there are existing permits, so it is going on all the time—as we speak, presumably.

Senator Hill—That is not right.

Senator ALLISON—No?

Mr Kitchell—Not for electrocution.

Senator Hill—Not for electrocution.

Senator ALLISON—So what are we referring to here? There are permits already for electrocutions, are there not? So that is—

Mr Early—Not, as we understand it, for this season. The permits are issued on a season by season basis. The Queensland government decided that it was not going to issue any more permits, which included for the current season.

Senator ALLISON—So what is the problem? Why can't it be gazetted? What difference does it make to anybody if they are not doing it anyway?

Senator Hill—I have been out of the loop for a little while, but what I have been putting is the attitude that I had at the time, which was that there was actually environmental benefit that would flow from attempting to work with that farming community towards better solutions. On the one hand, we have what they would see as the stick but, on the other hand, it is government demonstrating that it does not want to put people out of business. It wants to work with them to find ways in which they can learn their living in an environmentally sustainable way.

Senator ALLISON—Won't they be put out of business, as you call it, if they are not given the permits to electrocute?

Senator Hill—That is an issue for them to take up with the Queensland government.

Senator ALLISON—So this is something you can sheet home to the Queensland state government rather than to the Commonwealth?

Senator Hill—No, I was not sheeting it home to anybody. You are the one pressing the issue.

Senator ALLISON—I am asking questions about it and trying to establish why it was—

Senator Hill—As at the end of last year significant progress was being made towards what I would call a win-win outcome. There are some people who are unhappy with that. Obviously you are one and you just want to stir the pot. I am not sure what has obviously happened since the federal election.

Senator ALLISON—Is the Commonwealth assisting the farmers to find alternative approaches? What sort of active steps have we taken in that respect?

Mr Kitchell—That is the subject of the discussions between the three range states and the Commonwealth to try to develop solutions that might be appropriate and across the board, and not just to leave Queensland to try to find a solution by itself when it could benefit from the experiences elsewhere.

Senator Hill—There were noise solutions promoted but they have certain adverse consequences on people trying to sleep.

Senator ALLISON—One of the solutions probably not being considered is to stop land clearing on their traditional habitat perhaps?

Senator Hill—That can be relevant in circumstances where the clearing has not occurred, but we are talking about circumstances where it has already occurred.

Senator ALLISON—Indeed. I will move to the question of lungfish and the Paradise Dam.

CHAIR—First we will take a short tea break.

Proceedings suspended from 4.02 p.m. to 4.10 p.m.

ACTING CHAIR (Senator Tchen)—Notwithstanding the temporary absence of a number of people, we had better resume. I think Senator McLucas has some questions.

Senator McLUCAS—I have some questions that revolve around the Standing Committee on Conservation and Standing Committee on Fisheries and Aquaculture which have to do with the National Task Force on the Prevention And Management of Marine Pest Incursions and how that triggers the EPBC.

Ms Tinney—The officer who deals with that is in a meeting with Minister Kemp. Could we deal with a different part of the portfolio?

Senator McLUCAS—I will take your advice. It is not appropriate for me, given that there are EPBC type triggers that have been recommended by the task force, to do this with the Approvals and Legislation Division, or should I leave it to the Marine and Water Division?

Mr Early—Basically the Approvals and Legislation Division looks after the assessment and approvals regime in an overall coordinating role in relation to the act, but other parts of the department have responsibility for other parts of the act and it would be the Marine and Water Division that would have that responsibility under the EPBC Act.

Senator McLUCAS—Okay, I will defer that.

Ms Tinney—Thank you.

Senator CARR—Is it possible to turn to the heritage program?

ACTING CHAIR—Ms Tinney, we have the Approvals and Legislation Division at the moment—

Ms Tinney—We have, yes, Senator.

ACTING CHAIR—and I think Senator Allison has some questions to ask later, so can the officers remain nearby and available? I think Senator Carr has some questions on heritage—the Natural Heritage Division.

Senator CARR—The Australian Heritage Commission.

ACTING CHAIR—I am sorry, the Heritage Commission.

Senator CARR—Mr Keeffe, can you explain to me the circumstances around the appointment of the new chair of the Heritage Commission?

Mr Keeffe—The previous chair of the Australian Heritage Commission, Mr Peter King, resigned on 28 September 2001. The new chair, Mr Tom Harley, officially commenced on 9 October 2001.

Senator CARR—The announcement was not made until 11 October; is that correct?

Mr Keeffe—I think that is correct, yes.

Senator CARR—Was any consideration given to consulting the opposition about this matter, given that the announcement was made after the caretaker period commenced?

Mr Keeffe—The decision was made before the caretaker period commenced.

Senator CARR—When was the decision taken?

Mr Keeffe—On 8 October.

Senator CARR—My recollection is that the caretaker period cut in on 8 October.

Mr Keeffe—I believe it cut in at midday on 8 October.

Senator CARR—So this was taken before midday?

Mr Keeffe—It went to executive council before midday, but the resignation was on 28 September.

Senator CARR—Yes, I appreciate the point you make. What time did executive council meet? Do you know that?

Mr Keeffe—I do not know that.

Senator CARR—But presumably it met on the morning of 8 October.

Ms Tinney—We believe that is correct, Senator.

Senator CARR—So this was a dash off to the Governor-General before the caretaker convention cut in. Is that what happened, Mr Keeffe?

Mr Keeffe—I would not describe it as that, Senator.

Senator CARR—How would you describe it then? I will not try to put words into your mouth. I would have thought that the appointment of the chair of a significant public authority like the Australian Heritage Commission on the day the caretaker convention cut in was a matter of some significance.

Mr Keeffe—That goes to the timing and order of executive council business and I am not fully aware of its processes.

Senator CARR—But if it had not reached the executive council at its meeting on 8 October then you would have had to consult the opposition. That would be a fair summary of the facts, would it not?

Ms Tinney—We would expect that the minister would have done that during the caretaker period, but I cannot speak for what the minister might or might not have done had that occurred.

Senator CARR—No, but it is fortuitous that the executive council was able to meet on the morning of 8 October. I think that would be a fair description.

Ms Tinney—It is traditional—and I am speaking outside the portfolio here—for executive council to meet before the parliament is dissolved to finalise those sorts of issues.

CHAIR—Senator, I think we should wait until the minister comes back.

Senator CARR—No, he asked me to continue. I did indicate to him that I had some matters—

CHAIR—It is just that we have had issues to do with caretaker conventions before.

Senator CARR—I know, but I did indicate to him—

CHAIR—If that is the case, then go ahead.

Senator CARR—that I was intending to proceed with questions that would be penetrating, insightful and all the rest of it and he did not express any great alarm. Here he is, so perhaps he can tell us. The question, Minister, is: was it fortuitous you were able to get an executive council meeting on the morning that the caretaker convention cut in?

Senator Hill—Not just for me, I don't think.

Senator CARR—Not just you? You do not exercise that much influence?

Senator Hill—No.

Senator CARR—How many other appointments were resolved on that morning?

Senator Hill—I do not know, but there is, I understand, traditionally, the final executive council meeting before government goes into caretaker mode at which there are a number of housekeeping matters attended to.

Senator CARR—Were you at the executive council meeting?

Senator Hill—No, I was not.

Senator CARR—How many did the department put up on that day?

Senator Hill—I do not know. It would not be just appointments, but any appointments presumably would be appointments that had been agreed to by the previous cabinet meeting.

Senator CARR—Mr Keeffe, did the commission make any recommendations in regard to candidates for the chair of the commission?

Mr Keeffe—It is my understanding that that is the decision of the minister.

Senator CARR—So did the commission make any recommendations as to appointments?

Mr Keeffe—It made no formal recommendations, to my knowledge.

Senator CARR—So it was only informal?

Mr Keeffe—To my knowledge, no recommendations.

Senator CARR—Perhaps, Minister, you could advise me on what criteria was the selection made.

Senator Hill—Again, there are various statutory criteria but, beyond that, looking for somebody who had a sensitivity towards the issues; a capability to manage a quite challenging constituency with diverse views on every single issue; somebody who had the capacity to communicate the goals and charter of a very important national body; somebody who, basically, I thought could advance the interests of the built heritage, cultural heritage agenda in this country in a national perspective.

Senator CARR—Could you give me advice as to what experience Mr Harley brings to this role?

Senator Hill—I can put to you his qualifications, as I obviously had to bring them to the attention of cabinet. He has had a long involvement in Australian political history, a vital interest in the institutions of Australia—

Senator CARR—You mean the Liberal Party?

Senator Hill—I am not talking about the Liberal Party. It is much broader than that. And all the other qualifications I mentioned a while ago.

Senator CARR—What are the criteria under the existing legislation? How do they vary from the changes that you are proposing under the legislation?

Senator Hill—The qualifications for a chair?

Senator CARR—Yes, the criteria in terms of the council membership and, I presume, the chair. Are you able to advise me on that?

Senator Hill—We certainly can. It is just a matter of reading the current legislation and comparing it with the bill that is before the parliament. If you want us to do that—

Senator CARR—Yes, I would appreciate that. I would like a bit of an understanding of what the differences are between the existing situation and the proposals and how Mr Harley would fit into those new criteria.

Senator Hill—I do not understand that question.

Senator CARR—His qualifications, his interest in politics.

Senator Hill—If you are talking about the commission or council, because I do not know how the legislation will end up, the body that principally supports the Commonwealth aspirations in this area is not fundamentally different from that which exists at present. The problem at the moment is not really with the commission; it is with what is the very limited, but I would respectfully suggest somewhat outdated, methodology of the body. At the moment its responsibility is basically to identify and list national assets. Of course, it is identified and is listed either on the interim or on the permanent list. I keep getting different figures, but it is around about 12,000 assets, many of which, according to most objective experts, are questionable in terms of national heritage values.

What we were looking at in conjunction with the states was a better national system that would offer real protection than just being on a list to assets that were genuinely of national heritage significance. It is that alternative to a more refined list that would better pass contemporary standards of what the Commonwealth should accept the responsibility to protect and then for the first time giving the Commonwealth the responsibility to be the ultimate protector—which is the major distinction between what exists now and what we were proposing.

Senator CARR—That sounds a matter of some considerable interest and importance. How many of the 12,000 do you think would be questionable, Mr Keeffe?

Mr Keeffe—The actual design, rewriting and amendment process of the Environment and Heritage Legislation Amendment Bill is under way at the moment before it has been reintroduced in the House. It does not define a number of places for different criteria.

Senator CARR—You must have a view as to how many you think would be questionable.

Mr Keeffe—In previous estimates that number has been given as high as 400 places.

Senator CARR—Four hundred of the 12,000.

Mr Keeffe—Because the existing 12,000 places are those that are not necessarily of national significance but of state and local significance.

Senator CARR—Do you have a list of the 400 you think should be delisted?

Mr Keeffe—No.

Senator Hill—We have not talked about delisting as such. We have talked about the different tiers of government in Australia accepting a protection responsibility in relation to assets that could be better expressed to be their responsibility. The other thing, as I said and perhaps I did not express it clearly enough, is that for the first time it would give the Commonwealth powers of protection. So it is designed to complement the existing and new environmental legislation, which for the first time gave the Commonwealth powers to protect natural assets of national environmental significance. This would give the Commonwealth powers to protect national assets that are genuinely of Commonwealth heritage significance. There is no real power to protect in the existing legislation at all. But if you are going to assume a Commonwealth power in relation to certain assets then it has obviously got to be a much more refined list than that which exists at the moment. Basically what exists at the moment is that almost any nomination that is brought forward gets, in the end, listed.

When the current legislation commenced, it was a very valuable tool because there was not a body in Australia that was identifying heritage assets. Since then it has been overtaken by state heritage bodies in every state, almost all of which have significantly greater powers than the Commonwealth body. So what we are trying to do is to move the Commonwealth body forward into what we think anyway is a more contemporary approach and one that is relevant to Australia as it has developed in terms of its legislative structures.

Senator CARR—When do you anticipate this matter being before the Senate?

Senator Hill—It was before the Senate in the last session. It has been around for some time. We were prepared to make significant compromises. Most of the interest bodies in this area see merit in the direction that we are taking. Bear in mind that it evolved through a process of consultation with the states and then a major forum of heritage people held here in Canberra some years ago. Most of those with a special interest in this area believe that it is the right direction to take. Some have what I might describe as a sentimental attachment to the national list and fear that something is being lost, but then beyond that there is quite a detailed debate about the composition of the council or commission, whether it self-nominates the assets, its relationship to the department and, generally speaking, its powers and responsibilities. That negotiation was still being had with other parties and other interest groups at the time of the last election. It is up to Dr Kemp, but I hope that the legislation will be returned to the parliament early and that that debate—

Senator CARR—That is a question of government priority, isn't it?

Senator Hill—Yes, and the government—

Senator CARR—We have got a role in the matter as well, but the order in which bills are debated is a matter for the government.

Senator Hill—That is primarily correct. It does not always work that way in the Senate, but I am not quarrelling with that.

Senator CARR—I do not know that the opposition has any objection to pursuing it.

Senator Hill—The opposition, I regret to say, apart from just disagreeing with everything, really has not been particularly constructive in this exercise. Now there seems to be a new regime working in the heritage area, I hope that we might get a productive response.

Senator CARR—Mr Thomson will take the lead on these things. I just say to you, though, that there is obviously an interest in these matters.

Senator Hill—I do not know if he has an interest in this area, but I hope he does.

Senator CARR—I am absolutely sure he does. So we will pursue the matter and we are anxious to see when the legislation goes before the parliament, because there will need to be the usual range of Senate processes undertaken as well. The more time we have for it the better.

Senator Hill—They have at length.

Senator CARR—It is a new bill, though.

Senator Hill—It was introduced in December 2000.

Senator CARR—Since the government has such a strong commitment in these areas, what is happening to the national heritage places strategy?

Mr Keefe—The main vehicle for moving forward with that is this new legislation.

Senator Hill—Basically, the concept is that there would be responsibility within each of the three tiers of government according to how you identify and classify the built assets.

Senator CARR—So the sooner we get the legislation into the parliament, presumably, the sooner we get the national heritage places strategy into action?

Senator Hill—This, I can see, was the second best option. The best option required a transfer of powers from the states. They were not prepared to do that and so we made a decision that, at least within the scope of Commonwealth power, we should proceed. That decision was made several years ago and the legislation has been in the parliament now for two years.

Senator CARR—But the question of its priority listing is a matter for government?

Mr Keefe—It has been given A status.

Senator CARR—Yes. All I am saying is: how do you get it on the Senate red? That is a government decision, is it not?

Senator Hill—You have to get it through the Senate committee system. We have done all that but, I do not know, they might want to do it again.

Senator CARR—That has all been undertaken, so there is no point complaining about the parliament when you are the one who determines what goes on the Senate red. The daily program is your responsibility.

Senator Hill—That is correct.

Senator CARR—Therefore, I ask: when are you intending to pursue the matter and determine its legislative priority? Is it being discussed this session for instance?

Senator Hill—I hope that it will be dealt with early in this parliament.

Senator CARR—Thank you. I ask you to take this on notice, Minister: can the government advise whether or not this legislation will be listed for consideration in the chamber for this session—for consideration this session, not just on the *Notice Paper*?

Senator Hill—I know the new chairman has had discussions with Dr Kemp on the matter. I know the new chairman has had some preliminary discussions with some of the major interest groups on the subject. I hope that in this parliament it might make more progress than it did in the last.

Senator CARR—Minister, there is a big difference between this session and this parliament. Therefore, I would ask you to take this question on notice: will this bill be debated in this session?

Senator Hill—As you know, this session is very brief and that there will be very little passed this session—even I can work that out, Senator.

Senator CARR—Will you advise the committee when you intend to introduce it for debate in the Senate?

Senator Hill—Yes.

Senator CARR—What particular qualifications does Mr Harley bring to these new functions?

Senator Hill—I thought I answered that.

Senator CARR—No, you have not.

Senator Hill—I answered it to the best of my ability.

Senator CARR—You said that he was suitable because there was a new role. What particular qualifications does he bring to the task?

Senator Hill—I do not understand that. I have stated the qualities that I was looking for in the appointee and he fits those qualities.

Senator CARR—In your opinion he can do the job?

Senator Hill—I think the Labor Party put out a press release condemning him because he worked for BHP.

Senator CARR—I would be surprised if they put out a press release condemning him for working for BHP.

Senator Hill—It was either the Labor Party or the ACF, I get them mixed up.

Senator CARR—Yes, you would. That is probably why you are in Defence.

Senator Hill—If it wasn't the Labor Party it was the ACF.

Senator CARR—I presume you will have a lot less trouble with the states in Defence, so perhaps that is something to look forward to. Was Mr Peter King the previous chair?

Mr Keeffe—That is correct.

Senator CARR—He was the Liberal member for Wentworth?

Senator Hill—He is now, but not while he was chair.

Senator CARR—Not while he was chair but he is now. Is the connection with the Liberal Party critical to this function?

Senator Hill—No. There are some people with Labor Party associations that are interested in the area.

Senator CARR—Who are they? In terms of the list of people considered for this appointment, who are the people associated with the Labor Party?

Senator Hill—It would be inappropriate for me to talk about individuals.

Senator CARR—Was it a long list or something that does not require a lot of thought?

Senator Hill—I could not find a long list of suitably qualified people associated with the Labor Party.

Senator CARR—Did you find any?

Senator Hill—I know of some.

Senator CARR—Did you find any for the short list for consideration for this appointment?

Senator Hill—You know and I know that I cannot talk about individuals who were considered for a position.

Senator CARR—I am impressed. It is only my first day in this particular area and I am impressed by the number of Liberals that seem to come up in conversation for senior appointments in government.

Senator Hill—I am pleased. You have found two.

Senator CARR—I have found a few more than two, but that—

Senator Hill—Who is the third?

Senator CARR—They were all announced on 11 October; that day must have been a big day for the Liberal Party.

Senator Hill—You have found two.

Senator CARR—Can I ask about the Rural and Regional Historic Hotels program. Are you able to assist me with that, Mr Keeffe?

Mr Keeffe—Yes. I might ask for some assistance.

Senator CARR—I wonder how many Liberals are in this program. Were any of the grants in this program given to bed and breakfast facilities as distinct from hotels?

Ms Archer—The eligibility for the program was that you had to be operating as a licensed hotel.

Senator CARR—So there were no operators of bed and breakfast facilities that were granted?

Ms Archer—There will be none awarded the grants. The draft agreement has been provided to all the approved candidates. They would be required to verify that they are operating as a licensed hotel to receive it.

Senator CARR—That is a criterion, is it?

Ms Archer—Yes.

Senator CARR—And they all have?

Mr Keeffe—All that were given allocations, yes.

Senator CARR—Were any of the grants fast-tracked so that they would be approved prior to 8 October last year?

Mr Keeffe—No, they were considered all at the same time.

Senator CARR—When was that?

Mr Keeffe—The advertisement occurred on 23 June, applications closed on 3 August, we briefed the parliamentary secretary making the decision on that on 28 September and decisions were taken on 3 October.

Senator CARR—When were the announcements made?

Mr Keeffe—On 23 October.

Senator CARR—There were quite a few announcements made during the election campaign, weren't there?

Mr Keeffe—All decisions were taken before the election campaign commenced.

Senator CARR—And how many grants were approved?

Mr Keeffe—Out of the 579 applications, 161 grants were announced at that time.

Senator CARR—So during the election campaign you announced to 161 establishments that they would be getting money out of the government. That is basically what you have told me, is it?

Mr Keeffe—There was an announcement that 161 people had been successful in their grant application.

Senator CARR—How much was each grant?

Mr Keeffe—They varied considerably based on the criteria of the program and their ability to provide matching funds.

Senator CARR—What is the sort of range? Are you able to list the 161 for me? I will take it on notice, I trust.

Mr Keeffe—Yes, we could take that on notice.

Senator CARR—Because we will obviously need to come back to this. Can you indicate the seat in which they were located?

Mr Keeffe—That was not part of the assessment process.

Senator CARR—I know that, but we have in another section of the department the capacity to identify programs by electorate.

Mr Keeffe—So you are asking us to identify the success of the program by electorate?

Senator CARR—Yes.

Mr Keeffe—We will take that on notice and give you a list.

Senator CARR—And was the local member given the opportunity to make the announcement or was it made by the minister?

Ms Archer—The minister made a general announcement which listed all the successful applicants; local members were also given the opportunity to announce them, which is standard practice for us.

Senator CARR—And they were all required to make those announcements on or around 23 October?

Mr Keeffe—They were not able to announce it before the parliamentary secretary had made her announcement.

Senator CARR—So they were all announced after 23 October?

Mr Keeffe—We have not kept track of detailed electorate announcements.

Senator CARR—But part of the condition was that they not announce it prior to 23 October?

Mr Keeffe—The general decisions were not announced until then.

Senator CARR—Were any of the grants which were announced given to hotels or other establishments that have since closed down?

Ms Archer—Not that I am aware of.

Senator CARR—Can you advise me what the role of the Australian Hotels Association was in the process for the approvals?

Ms Archer—The Australian Hotels Association provided input to the development of the guidelines for the program.

Senator CARR—But they had no role in the decision?

Ms Archer—No.

Senator CARR—What was the nature of their input for the guidelines?

Ms Archer—They gave us background on the hotel industry.

Senator CARR—But not on individuals?

Ms Archer—No, absolutely not.

Senator CARR—Has there been any analysis of the funding needs, in terms of cultural heritage, of rural and regional historic hotels? I take it these were all historic hotels; we are not giving any funds to Flag Inns or anything, are we?

Ms Archer—They had to be historic hotels to apply.

Senator CARR—What analysis was undertaken of the funding needs of culturally significant hotels?

Ms Archer—The needs are based on demand generated both under this program and under two previous rounds of the Cultural Heritage Projects Program—which also attracted applications from listed hotels.

Senator CARR—So there was actually a research project undertaken?

Ms Archer—It was not a research project. It was established by demand from application under those programs.

Senator CARR—So basically you told people that you were interested in funding a program and waited to see whether or not anyone asked for any money. Is that it?

Ms Archer—The Cultural Heritage Projects Program was advertised twice—it is an annual program—and it attracted applications that included hoteliers who are private owners of hotels.

Senator CARR—How did you distinguish between giving priority to hotels and to other cultural heritage places?

Ms Archer—In relation to which program?

Senator CARR—In terms of the advertisement you placed.

Ms Archer—The Cultural Heritage Projects Program does not distinguish between types of establishment. It simply requires heritage criteria to be met—hotels were included in possibly eligible heritage places.

Senator CARR—What place does the funding of these 161 hotels have within the strategic development strategy?

Mr Keeffe—I am sorry, I am not familiar with the strategic development strategy.

Senator CARR—You are not?

Mr Keeffe—I have seen a few things with similar names, but not that one.

Senator CARR—The Prime Minister called it the national heritage places strategy on 6 August, and that is what I referred to before—the national heritage places strategy might be another way of putting it. What is the role of the Rural and Regional Historic Hotels Program within that national heritage places strategy?

Mr Keeffe—I think that the link lies in the previous demand by the rural and regional communities for a recognition that in many of those rural and regional communities the largest standing built heritage in those places was very often the hotel—the pub—in small country towns, in particular. The Cultural Heritage Places Program was unable to meet the requirements and demands. Rural heritage is certainly an important component, as is the built heritage, in the legislation that is currently being developed, but whether those places would be of local significance, state significance or national significance is another question. But it allows the promotion of built heritage, which is particularly important to rural towns.

Senator CARR—I am at a loss to explain, though, why it is that you chose to make this a major priority. How did you determine that? What research was undertaken to determine that historic pubs should attract major sums of government money?

Mr Keeffe—These are decisions taken by government.

Senator CARR—So it is a political decision?

Mr Keeffe—No, not necessarily.

Senator CARR—That is what governments make—political decisions. But was it a ministerial decision?

Mr Keeffe—When we briefed the ministers in relation to the demands for CHPP and the requests for listing places such as hotels in rural and regional Australia, there was a decision taken to allocate funds to enable them to apply.

Senator CARR—On what basis was the decision made? That is the question I am making? You have advice from the Hotels Association that it would be a good idea to spend money on them, which is a shocking revelation to me. And you have got applications coming in saying we want you to spend money on particular hotels. I am just wondering what was the great strategic thinking that went into this program.

Senator ALLISON—Perhaps I can assist you in this respect, Senator Carr. It was to do with the beer excise.

Senator CARR—Really? Oh, I am so slow! Beer excise.

Senator ALLISON—You may or may not have known.

Senator CARR—Something to do with beer? That is not true, is it, Senator Hill?

Senator Hill—That has something to do with the Australian Democrats.

Senator CARR—That sets up endless possibilities for me, doesn't it? Is that the case, Senator Hill, that this was a trade-off with the hoteliers for the beer excise?

Senator Hill—No.

Senator CARR—You can perhaps advise me on what great strategic thinking went into the development of this program. As I say, I am having a bit of trouble following the logic of it.

Senator CALVERT—There are many hotels in Tasmania. If they are not protected, they will fall over. They are just as important as churches.

Senator CARR—They are just as important as churches; is that what you are saying?

Senator CALVERT—Some of them are very old and they need protecting.

Senator CARR—We have established all of this. I am just waiting for the minister to give me a response.

Senator Hill—Within the range of built heritage challenges a particular grouping had been identified as perhaps not being given quite the recognition it deserved in terms of Australia's history. Across Australia these heritage hotels have been suffering significant degradation from problems associated with age and they are very expensive to maintain. It was therefore decided by government to develop this relatively small, but focused, program to give them some support.

Senator CARR—What is the total expenditure of the program?

Mr Keeffe—Five million.

Senator CARR—Five million? I suppose that is almost as much as you spend on advertising for the Natural Heritage Trust.

Senator Hill—Across Australia, in managing the heritage hotels of this country, it is very little, but it is more than anybody else has bothered to put in in the past.

Senator CARR—So the Australian Hotels Association thought this was a reasonable buy-off for the beer excise matter, did they?

Senator Hill—I think the AHA strongly supported the program.

Senator CARR—They initiated it, did they not? Did they not come to you with the proposal?

Senator Hill—I cannot remember that. If that is what they say. They certainly were strong supporters of it and had been making the point that they felt that the hotel community, for one reason or another, had not been getting as much support through the cultural heritage programs as they believed they deserved.

Senator CARR—When was the program developed?

Senator Hill—The \$5 million was provided in the year 2001-02 budget, so thereafter, I presume, the guidelines were put together. I did not actually administer this.

Ms Archer—The guidelines were actually developed in the latter half of the first half of that year.

Senator CARR—What year is that?

Ms Archer—2001. Over the May period, I think it was.

Senator CARR—Maybe Senator Allison has got something here with this connection between the excise arrangements and the AHA's concerns. Did you see a connection there?

Ms Archer—I would not be aware—

Senator CARR—That was not part of the guidelines—‘Keep the AHA off our backs for a little while.’

Senator ALLISON—I will send you my press release.

Senator CARR—Thank you. So when do we expect an evaluation of the effectiveness of this program?

Senator Hill—These programs are re-evaluated from time to time. This was a one-off—

Senator CARR—Only a one-off! I thought it was a major point of significance to the built environment, of strategic importance, and it is a one-off program.

Senator TCHEN—Do you want it to be ongoing, do you?

Senator CARR—No, I just wanted to know.

Senator Hill—A minute ago you seemed to be suggesting it was too much.

Senator CARR—I am troubled by the way in which government priorities seem to be developed. If you have to get at the AHA to get into the minister's ear, that is perhaps one way we could pursue that.

Senator Hill—If you do not think this was worthwhile expenditure, that is your business.

Senator CARR—I am just surprised that it is only a one-off, if it is so important.

Senator Hill—I think it is just another illustration of the cultural ignorance of the Australian Labor Party.

Senator CARR—The cultural ignorance of Australian hotels—that is probably true.

Senator Hill—The Australian Labor Party.

Senator CARR—Is there any prospect of this program being continued?

Senator Hill—Do you mean as a second round? I do not know. That is out of my hands.

Senator CARR—Is there a bid in for second-round funding?

Ms Archer—There are no moneys provided in forward estimates at present.

Senator CARR—That is what I thought. So do you just expect it to be a one-off arrangement?

Ms Archer—At present, yes.

Senator CARR—Certainly no proposals that you are advancing?

Ms Archer—No.

Senator Hill—There is an ongoing program of cultural support, as you have been told earlier today, but it is not a great deal of money being shared around a large number of good causes.

Senator CARR—Are you responsible for Mawsons Hut? Or is that the Australian Antarctic Division?

Dr Reville—It is primarily a responsibility of the Australian Antarctic Division; they are the managers. The Heritage Commission provides advice to the division under section 30 of the Australian Heritage Commission Act.

Senator CARR—So should I ask questions directly to the Antarctic Division?

Dr Reville—If it is about management, that is probably preferable.

Ms Tinney—Perhaps you would like to place those questions on notice.

Senator ALLISON—I want to ask a question on a cultural heritage project. Minister, there was a fudge factory in Tasmania which I understand attracted \$1 million from the Federation Cultural and Heritage Projects Program in 1996. I understand that the recipients of that funding have since closed the business and disappeared overseas. Is that your understanding too?

Senator Hill—No, not put in those terms. This was the women's penitentiary—what is it called?

Ms Archer—The Female Factory.

Senator Hill—The Female Factory in Hobart, which is again a very important part of national heritage. As I recall it, there was a grant made in relation to purchasing part of that factory site. There was also a grant made to enable them to purchase this income producing asset, which was designed to provide for ongoing maintenance. I think that business failed, but perhaps the official could give you the details.

Senator ALLISON—What has happened to the business since that time?

Ms Archer—My understanding is that the business has been resold and has taken out a tenancy, as the previous business had, on the site and is paying rent to the organisation that achieved the grant for the site. So it has re-established the business. I do not believe it stopped trading at any point.

Senator ALLISON—How were the million dollars expended?

Ms Archer—There was money for the purchase of the land, there was money for the purchase of the business and there was money for conservation of the site itself—and it was divided amongst those.

Senator ALLISON—And was it spent on each of those elements of the program?

Ms Archer—Yes, it was fully expended. The conservation works are about to be completed, consistent with the time frame. There is a small amount owing on the conservation, but that is tracking, as it was required under the deed. But everything else has been expended.

Senator ALLISON—So the business that was provided with the money simply transferred all of the operation off to somebody else, to a new business. Is that right?

Ms Archer—The organisation that received the grant was in fact a not-for-profit organisation. It had a subsidiary organisation established which ran the business, as I understand it.

Senator ALLISON—So has the business proceeded according to expectations?

Ms Archer—I believe that the fudge business, which fell into financial difficulties, was put up for sale and has been sold.

Senator ALLISON—It does not operate anymore?

Ms Archer—It does operate, yes.

Senator ALLISON—So, as far as the department is concerned, there is no problem with this?

Ms Archer—There is no further problem, no.

Senator CARR—I would like to ask about the operation of the Sydney Opera House, as part of the World Heritage nominations. Do you handle that as well?

Mr Keffe—Yes, I do, Senator.

Senator CARR—What is the status of the proposed nomination?

Senator Hill—The New South Wales Labor government seems to have walked away from it.

Senator CARR—So that is the end of it, is it?

Senator Hill—It hit the wall because of that. Mr Keffe might give you a more fulsome reply.

Mr Keffe—Perhaps it will not be as colourful, Senator; I apologise. The government did work to conclude a management and financial agreement with the New South Wales government which would allow the Sydney Opera House to be nominated for World Heritage listing. The New South Wales Premier requested that this financial and management agreement was to comprise a bilateral agreement under the government's EPBC Act and the New South Wales government has indicated at officials level that it will not commence work on this agreement until it has concluded its own management planning for the Opera House, including the decision on whether to protect it under New South Wales heritage legislation, and it has not indicated when it will be able to undertake those final decisions. This makes it difficult for the Commonwealth to nominate it under our criteria. There is only one nomination per year to come from a state party for new places on the World Heritage List.

Senator CARR—Is that one for each state?

Mr Keffe—No, one from each state party; each country that is a signatory to the World Heritage convention is now only allowed to nominate one property.

Senator CARR—So what is the site that Australia is going to nominate?

Mr Keffe—Australia has nominated Purnululu National Park in East Kimberley of Western Australia, which will be considered over the next 18 months for decision at its earlier stage in June 2003.

Senator CARR—What are the processes for a nomination to be finalised from the national end?

Mr Keffe—From the national government's end, we have to do an assessment of its outstanding universal value against the criteria of the convention. Once that nomination has been done we negotiate, usually with states or territories, to ensure that management arrangements are in place for the protection of the property to the standards of international protection required. Any interest groups or key stakeholders in the land have to agree to the nomination going forward, so in Purnululu's case the Aboriginal traditional owners needed to be comfortable with the fact of nominating for World Heritage listing. A nomination document is then prepared, submitted to the UNESCO World Heritage Centre in Paris by the due date, which is 2 February, and then it goes through an assessment process by international peer review, if you like, on both cultural and natural criteria.

Senator CARR—This is an annual process, so there is an opportunity to present another nomination by February next year.

Mr Keffe—That is correct.

Senator CARR—Do you have a short list? Do you have a backlog?

Mr Keffe—We have a long list.

Senator CARR—What is the long list?

Mr Keffe—There are a number of places that people put forward for listing on the World Heritage List, some of which our own assessment indicates may be of national significance but not necessarily of international significance, and the government has indicated its priorities to proceed with a range of properties going on with further assessment.

Senator CARR—Mr Keffe, does the commission have a list?

Mr Keffe—The commission does not advise on World Heritage listing.

Senator CARR—At all?

Mr Keffe—Not under the present regime. I correct myself to say that commissioners, as individuals with heritage expertise, often consider and advise departmental officials.

Senator CARR—But they have no formal role in the process?

Mr Keffe—They have no formal statutory role.

Senator CARR—Does that situation change under this draft legislation?

Mr Keffe—Under the draft legislation, the strong contenders for national listing would be those places that have been already put on the tentative list for the World Heritage Committee.

Senator CARR—So you would have a role then?

Senator Hill—Not advising governments, although they could. There is no reason why they should not. But it was not structured that way because they were dealing with assets of national importance rather than an even more restrictive group of assets of world importance. They do not advise—

Senator CARR—If it is not the commission that advises the government on this listing, who does?

Senator Hill—Mr Keffe.

Senator CARR—As an individual?

Senator Hill—No.

Mr Keffe—The Australian World Heritage Division has got two arms in terms of a portfolio body and a commission body. The commission is a statutory authority. It does not have a statutory role in relation to advising on World Heritage listing or management. The Environment Australia officials are at the minister's direction.

Senator CARR—That has clarified that. Could I ask you about St Paul's Anglican Cathedral in Melbourne. Are you responsible for that project?

Mr Keffe—Yes.

Senator CARR—I see in the forward estimates there is a grant of \$2.5 million. What was the process undertaken to establish that St Paul's Anglican Cathedral received \$2.5 million?

Mr Early—On 8 July the Prime Minister wrote to the Archbishop of the Anglican diocese advising that the Commonwealth had agreed to provide a grant from the Federation Fund as a contribution towards the restoration of St Paul's Cathedral in Melbourne.

Senator CARR—What is the total cost of the project?

Mr Keffe—The total cost is some \$20.5 million.

Senator CARR—Where does the other \$18 million come from?

Mr Keefe—The Commonwealth contribution is only \$2.5 million. That was originally allocated from the Federation Fund for a project that did not eventuate. It is the Anglican Church raising the necessary other funds.

Senator CARR—So there is no other source of money that you are aware of?

Mr Keefe—Not that we are involved in.

Senator CARR—Is it not the case that normally when you undertake a restoration project such as this there is a project brief? Is there not an understanding of where the additional project money is going to come from?

Mr Keefe—We have focused, in terms of a deed of agreement that we have signed with the Anglican diocese, on conservation works to the building spires and roof. We have got a particular area of interest. It will be a separate distinct project, separate from the larger work, which will not necessarily be funded.

Senator CARR—So the Commonwealth agreed to repair the spires and roof for the cathedral.

Mr Keefe—That is correct.

Senator CARR—That is the guts of it?

Mr Keefe—Yes.

Senator CARR—When was the assessment process undertaken? You have told me that the Prime Minister wrote to them on 8 July. When was the assessment process undertaken?

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

Senator CARR—When was the original application made for assistance?

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

Senator CARR—Was the application made by the Anglican Church or some other department?

Mr Keefe—We just do not have that documentation with us, so we will get back to you.

Senator CARR—I would be interested to know where the process started. What was the process that was undertaken to evaluate the expenditure of this money for this particular project and over what time period the money will be spent?

Mr Keefe—We will get back to you on that one.

Senator CARR—Thank you very much. Finally, on the research funding for heritage, does the department have a research budget for heritage research?

Mr Keefe—Not as a separate component. But different projects undertaken by either the Heritage Commission or the Environment Australia sections will do research as required for specific tasks.

Senator CARR—But there is no identifiable budget line for research?

Mr Keefe—No, we would have to disaggregate that.

Senator CARR—I am particularly interested, in terms of the development of the national heritage places strategy, whether or not it requires the Australian Hotels Association to undertake your research, or is there another body like that. Is that the main consultancy? Is it interest groups who tell you where you should be spending your money or do you have an

independent assessment process to determine the strategic investments the Commonwealth should be making for heritage?

Mr Keeffe—Many of the staff of both Environment Australia and the Australian Heritage Commission within the division are very highly qualified. They liaise with key stakeholders such as ICOMOS—

Senator CARR—Absolutely; I agree with all of that. What I want to know, though, is how the commission makes its decisions about what priorities should be given. That is the question I am interested in, not how well qualified your staff are to talk to people, though that is a terrific thing.

Dr Reville—The Australian Heritage Commission at the moment does not run any funding programs. The funding programs are run out of the departmental side of the division. The commission builds into its operational plan on particular projects the ability to do research, and that is done either by engaging consultants or by our own staff. Much of the budget for the commission does actually go on the staff.

Senator CARR—But is there a priority-setting body anywhere in the department in terms of heritage expenditure?

Mr Keeffe—It is a little unclear to me as to what you mean by a priority-setting—

Senator CARR—I am making light of the way in which the hoteliers seem to have such influence over this government, but is that genuinely how it works? Is it a question of who gets the minister's ear when it comes to the expenditure of moneys? Clearly the hoteliers are a very different group of lobbyists from the Anglican Church.

Senator Hill—Both are fairly influential.

Senator CARR—I do notice that they are major beneficiaries of the budget. Is this the way the priorities are determined?

Mr Keeffe—If you are referring to the new legislation and how priorities for national listing are to be established, that will depend on the criteria that come through the legislative process. We will be identifying work both in-house and with consultants to define what places are regarded by both—

Senator CARR—I have got the idea. Thank you very much, Mr Keeffe. I have got questions for the Australian Greenhouse Office. Do you have any others, Senator Allison?

Senator ALLISON—I have some lungfish questions.

CHAIR—Senator Allison has some questions and then we will go to the Australian Greenhouse Office.

Senator McLUCAS—Before we do, could we go to the Marine and Water Division, please.

CHAIR—If you so desire.

Senator ALLISON—My question is about lungfish. The Paradise Dam is in Queensland. Is that correct?

Mr Early—That is right, Senator.

Senator ALLISON—It is being assessed at present by the minister for listing as a threatened species, is it not?

Mr Early—No, it has been nominated for listing as a threatened species under the act, and that process is still going ahead.

Senator ALLISON—And a formal recommendation from the threatened species scientific committee has been received by the minister?

Mr Early—No, Senator.

Senator ALLISON—Do you expect a formal recommendation? Is it with the committee for consideration at present?

Mr Early—Unfortunately, in relation to listings, the Environment Protection Biodiversity Conservation Act provides that that information should not be disclosed until such time as the minister has actually made the decision. Other than saying that the nomination has been made, the committee has considered the matter and no recommendation has yet gone to the minister, I cannot really provide you with more information about what the recommendation may or may not have been.

Senator ALLISON—When was the nomination received?

Mr Early—The nomination was made in February 2001.

Senator ALLISON—That is 12 months ago now. The minister's decision to give EPBC approval to the Paradise Dam came before the decision on the listing of the lungfish, obviously.

Mr Early—That is right.

Senator ALLISON—When was that?

Mr Early—I am not sure of the precise date. I would take that on notice but—

Senator ALLISON—It is more recently.

Mr Early—It is quite recently—in the last month.

Senator ALLISON—Is it fair to say that there is a connection between the lungfish and the dam and that the dam may well have an impact on the lungfish?

Mr Early—That is something that we would have to look at. Basically, the lungfish was not a listed species at the time the decision was made. As you know, the act provides statutory time frames for decisions to be made, so the lungfish really was not part of the equation as far as the Commonwealth government was concerned.

Senator ALLISON—But it would have been had it been declared vulnerable at the time that the dam was under consideration. We are talking here about the—

Senator Hill—We have had years and years of involvement with the lungfish.

Senator ALLISON—nomination in February—

Senator Hill—I am pleased to have been advised that it is going well.

Senator ALLISON—and subsequent agreement to go ahead with the dam, which could be a threatening process.

Senator Hill—This is lifting the dam a little bit—raising the dam.

Senator ALLISON—Are you saying that the raising of the dam has no impact on the lungfish?

Senator Hill—I am telling you that I have been told the lungfish is thriving.

Senator ALLISON—We have not got the dam lifted yet, have we? Isn't that the problem?

Senator Hill—Yes, but that was under the previous dam.

Mr Early—From the Commonwealth government's point of view, under the legislation the minister was actually precluded from considering the lungfish because it was not listed under the EPBC Act.

Senator ALLISON—That I understand, but it could well have been listed prior to the decision. There seems to me to be plenty of time for listing to have taken place should the minister have been quick off the mark, as it were.

Mr Early—The current timetable could well have been shorter, but it is within the framework of the legislation where the threatened species scientific committee has 12 months to provide advice and the minister then has 90 days to consider that advice.

Senator ALLISON—So, hypothetically, if the lungfish is listed as vulnerable, what difference will that make to the dam proposal?

Mr Early—That is quite problematic. There are some very limited opportunities to revisit approvals, but whether or not those conditions would exist in relation to the Paradise Dam I am not sure at this stage. It really does depend on what decision is made in relation to the lungfish.

Senator ALLISON—But, essentially, it would be too late anything about it?

Mr Early—As I said, there is very limited power to revisit approvals under the act. But there are very stringent conditions which apply to that case, so we would have to look and see whether those conditions would apply.

Senator ALLISON—If they do not, what other opportunities are there for the Commonwealth to assist?

Mr Early—There are none.

Senator ALLISON—Is it the case that the Queensland government recently introduced legislation to remove requirements to maintain lungfish habitat below the dam and to weaken the environmental flow requirements of the water resource plan because they could not be met by the dam? Is that reasonably accurate?

Mr Early—I am not quite sure that I am in a position to agree with precisely the wording of your question, but I do know there was legislation in Queensland to make changes to the water regime that involved the dam.

Senator ALLISON—If my wording in the question is not accurate, what is a more accurate reflection?

Mr Early—I will have to take that on notice because I do have information in the office about precisely what the change was. I just do not recollect it exactly at this stage.

Senator ALLISON—If you would come back on that it would be useful. Has the federal government made any formal response to the Queensland state government in respect of this legislation?

Mr Early—Not as far as I am aware. I do not know that we have been consulted or have a view to put.

Senator ALLISON—Did you have any view about the economic viability of the dam? Did that come into consideration in the approval process?

Mr Early—The economic and social considerations are taken account of in the assessment process.

Senator ALLISON—And they were taken into account in this instance?

Mr Early—I would have to take on notice the extent to which those matters were considered, but I could provide that information.

Senator ALLISON—Is it possible to provide details of that economic viability?

Mr Early—To the extent that we have that information which was relevant to the assessment, yes.

Senator ALLISON—I thought you said earlier that it was taken into account.

Mr Early—Yes. Economic and social factors are taken into account in the approval decision, but I cannot recollect at this stage how detailed that was. We can provide what information we did have.

Senator ALLISON—If the proponents were not able to demonstrate economic viability, would that be a factor in your consideration?

Mr Early—Economic viability is not really a key issue; it is the economic and social matters surrounding the action that we are primarily concerned about. Obviously economic viability could be an issue, but we are not in the business of testing the economic viability of every proposal that we assess for its environmental implications.

Senator ALLISON—What do you assess with regard to economic viability?

Mr Early—The economic and social factors that surround the action. They could be matters that are relevant to the community or relevant to the economic situation within the community et cetera. We do not go to look at the economic viability of every project. We do not have the expertise to do that. We have to rely on the assessment process to throw that sort of information up.

Senator ALLISON—You accept advice that says that this is going to be economically desirable for this community because it will create half a dozen jobs or whatever?

Mr Early—We do not necessarily accept that advice, but that advice is part of the equation. We look at the environmental assessment and we look at the economic factors and the social factors. When I say ‘we’, the decision maker does that.

Senator ALLISON—Thank you. At this point I want to ask some questions about commercial fishing in World Heritage areas in Queensland. It is my understanding that the 1999 report prepared by the Queensland Parks and Wildlife Service relating to commercial fishing in World Heritage areas acknowledged that commercial fishing is illegal. Can I confirm that the Queensland government assessment of the level of commercial fishing in Queensland national parks in 1999 drew that conclusion?

Dr O’Connell—I am not sure that I know the report you are referring to. I might have to take that on notice because I am definitely not familiar with a report which suggests that fishing in the World Heritage area is illegal.

Senator ALLISON—Do you accept that there is significant commercial fishing in the Cape Bowling Green National Park and Ramsar site? Apparently there are 19 commercial fishers there netting, crabbing and line fishing.

Dr O’Connell—I think these questions probably should have been raised this morning with GBRMPA, the Great Barrier Reef Marine Park Authority, which would have the handling and management of this issue. We do issues related to the EPBC Act in terms of fisheries, but we are not directly related to the issues that you are talking about.

Senator ALLISON—But this is central to the question of whether or not the EPBC should be triggered by commercial fishing in these areas. I understood it to be a part of your jurisdiction.

Dr O'Connell—The area where state fisheries would come under our jurisdiction is under the export control aspect of the EPBC Act. In that case, if the fisheries have any export component over the next three years, all those fisheries will go through an assessment process run from the Marine and Water Division in Environment Australia. If these fisheries have an export component they will do that. Mr Flanigan might be able to add a little of what he knows of the fishery that is being talked about.

Mr Flanigan—It is not clear to me from your questioning which particular fisheries you are referring to.

Senator ALLISON—I will run through them. There is the Cape Bowling Green National Park and Ramsar site, Great Sandy National Park and World Heritage area, Hinchinbrook Island National Park and World Heritage area, Lumholtz National Park and World Heritage area, Daintree National Park and World Heritage area and Edmund Kennedy National Park and World Heritage area. Each of these has commercial fishing operations in quite large numbers.

Mr Flanigan—A number of those areas sound like they are state national parks, in which case the question of whether or not fishing in those areas is legal or not legal is a matter for the state national parks management service.

Senator ALLISON—I am sorry, but they are each World Heritage or Ramsar.

Mr Flanigan—They are also part of the Great Barrier Reef World Heritage area. In that case then it would be a question whether or not fishing is allowed as an activity under the Great Barrier Reef Marine Park zoning scheme. I am not aware of any situation where fishing is illegal within the park in its entirety outside of the green zones and those types of things.

Senator ALLISON—Are you suggesting that there is nothing under the Environment Protection and Biodiversity Conservation Act that can prevent commercial fishing in a World Heritage area and that your only powers are with export licensing?

Dr O'Connell—We might need to work through the issue a bit more. The primary way in which we examine the fisheries under the EPBC is if they are export fisheries. We would need to specify the fishery that is being talked about here—is it the reef line, the east coast trawl fishery or one of the fisheries—and then identify whether or not it has an export component. Then it would be pretty clear that it would come under the export controls component of the EPBC Act, in which case it comes under our assessment process. If it is a Commonwealth managed fishery, it comes under an assessment process under our act as well.

I am not quite sure exactly which fisheries you are referring to. There is a lot of fishing which is legal in the World Heritage area of the Great Barrier Reef Marine Park. There is the east coast trawl and the line fishery—there is a whole range of fisheries which are quite legal in the World Heritage area. So fishing is not banned in World Heritage areas per se. There is constrained fishing in the Barrier Reef, in certain areas, and it is excluded from certain areas, but those are not because they are World Heritage areas necessarily. There is quite a deal of fishing which is perfectly legal in World Heritage areas.

Senator ALLISON—Is it a question of the level of fishing and is there some agreement between the Queensland government and the Commonwealth with regard to what is a reasonable level for a commercial take?

Mr Flanigan—It is my understanding all the fisheries which occur within the World Heritage area are managed by the Queensland Fisheries Service. In the past the Commonwealth has taken a general sort of oversighting role of those fisheries, but the day-to-day management of them has been the responsibility of the Queensland Fisheries Service. Over more recent times GBRMPA has taken a much more active role in regard to it determining for itself whether or not the fishing practices occurring within the World Heritage area are consistent with the management of that property. From Environment Australia's point of view, we have also, as my colleague has pointed out, commenced on a process of undertaking assessments of all fisheries around the country to determine whether or not they are managed in a sustainable way. That process is currently working through doing assessments for all the fisheries that are currently occurring within the Great Barrier Reef Marine Park area, as we are for other fisheries around the country.

Dr O'Connell—In essence, the primary Commonwealth management intervention in fishing in the park is through the Great Barrier Reef Marine Park Authority and any activity which occurs consistent with their act and the plans and zoning arrangements under that act is that if it is in accordance with that then it is for all intents and purposes consistent with the EPBC Act.

Senator ALLISON—Has a referral ever been made concerning commercial fishing in the Great Barrier Reef or Ramsar sites?

Dr O'Connell—If the activity is approved under the Great Barrier Reef Marine Park Act—and, as I say, the primary management role here is the Great Barrier Marine Park Authority and you would probably be better off referring much of these questions to them for a more comprehensive answer—

Senator ALLISON—So a referral would go to GBRMPA rather than to your department?

Dr O'Connell—The action of fishing in the Great Barrier Reef Marine Park, under an arrangement with Queensland Fisheries which is agreed by the Great Barrier Reef Marine Park Authority—in other words, it is consistent with the zoning plans, plans of management under the Great Barrier Reef Marine Park Act—is okay. That then does not require a further referral under the EPBC Act. What you are looking at, I think, is what is the arrangement with which the Great Barrier Reef Marine Park Authority works with the Queensland fisheries agency and industry to regulate the fisheries industry. Our advice there is that there have been no referrals at all of fisheries, only aquaculture referrals.

Senator ALLISON—Thank you. Perhaps you are the right people to ask a question about Australia's shark management and conservation strategy. Is that your department as well?

Mr Flanigan—We are involved in some of the intergovernmental work on that strategy, but AFFA is the responsible portfolio for managing the preparation of Australia's national plan of action on sharks.

Senator ALLISON—You have not had anything to do with this?

Mr Flanigan—We participate in the consultative group that is working up the strategies for that plan of action, but AFFA is responsible for putting it together and promulgating it.

Senator ALLISON—To your knowledge, is it likely to be completed this month as expected?

Mr Flanigan—There was a meeting of the stakeholder group only last week, as I understand it. The expectation is that it is more likely to be completed in the middle of the year.

Senator ALLISON—Perhaps the minister can answer this question. Is there any funding allocated for the national plan of action for sharks?

Mr Flanigan—It is through another portfolio.

Senator ALLISON—It does not come out of Environment Australia's portfolio at all?

Mr Flanigan—No.

Senator ALLISON—Thank you.

Senator McLUCAS—I hope you can help me with this issue. Can you tell me your division's involvement, if there was in fact any, in the Joint Standing Committee on Conservation and the Standing Committee on Fisheries and Agriculture National Task Force on the Prevention and Management of Marine Pest Inclusion?

Dr O'Connell—Yes, we were closely involved in that task force and, in fact, I chaired that task force which developed an approach that is now being worked through. It was agreed by the ministerial council, and it is now being worked through by a set of Commonwealth, state and stakeholder officials and other forums to develop a national approach to introduced marine pests—both prevention and emergency response control research and a range of other activities. There was a report produced by that task force which was endorsed by the three relevant ministerial councils at the time.

Senator McLUCAS—Is your assessment that the recommendations about ballast water have actually been enacted?

Dr O'Connell—The recommendations are in the process of being enacted. There was an interim approach put in place immediately for a two-year period to improve things, which is still continuing. During that time there was a group set up to work through how to put in place the more robust continuing approach. The ballast water arrangements are part of that, and there is a set of ballast water tests occurring in terms of the decision support system that AQIS has been developing for ballast water management. At the moment, I could not tell you the details of where that has got to. That takes places through the AFFA portfolio, which you know about.

Senator McLUCAS—Yes. With respect to organisms that come in on the hulls of vessels, would you suggest that the progress on that matter has been as successful as the ballast water matter?

Dr O'Connell—It was a pretty clear analysis of the task force that the emphasis had been on ballast water. That was thought to be not unreasonable because ballast water had been a proven vector for introduced marine pests and was a major source between ourselves and other countries and ports which quite clearly have pests which can lodge and become uncontrollable within Australia. That had been historically the emphasis.

The task force, however, did suggest that much stronger effort needed to be made on the hull fouling issue and there is a set of work under way on hull fouling management. There is this interim two-year period where they are developing the nuts and bolts of how to put in place the longer-term arrangement, and hull fouling has increasingly become recognised as important as ballast water. The significant recent incursions have probably resulted from hull fouling or gear within a vessel as opposed to ballast water. The black striped mussel in Darwin and I understand your concern about the tube worm as well are both obviously related to hull fouling and gear as opposed to ballast water.

Senator McLUCAS—Tell me if I am in the wrong area and this question should be directed to AFFA: do you keep a register of introduced marine pests in our harbours?

Dr O'Connell—There is both a cross-government and intergovernmental mechanism for addressing this and within that—and AFFA is the coordinating agency for the exercise—there is a list of marine pests and potential marine pests, including the most likely worrisome ones that we should be trying to address in advance of them coming here.

Senator McLUCAS—I will go to AFFA for that. In your report, you suggest that the EPBC is the appropriate structure to develop the statutory plans to reduce, eliminate and prevent impacts of introduced marine species.

Dr O'Connell—There is a section which allows you to develop plans for combating pests that are introduced. The exercise was to look for a mechanism which we might be able to use to coordinate and mandate activity to address pests that have become established. Much of the exercise has been on border protection or an emergency response to either try and prevent or immediately attack the pests. One of the aspects that the task force recognised was that attempts to control or eradicate the pests that had become established was not happening. The point that you are referring to in the recommendations was one that suggested there was a section in the EPBC Act which would allow you to develop statutory based plans to do that. That was raised as an issue which this portfolio over the period of this two-year interim arrangement would examine.

Senator McLUCAS—And that work is progressing?

Dr O'Connell—It has not progressed greatly but, yes, our part of the role in the exercise is in hand.

Senator McLUCAS—What are the dates of the interim period? You say it is a two-year period. When does that expire?

Dr O'Connell—I do not have that to hand. I will have to take that on notice.

Senator McLUCAS—I understand that there are arrangements in place for dealing with ballast water. They came in in June or July last year.

Dr O'Connell—Yes, there are interim arrangements in place and those are being developed further over this period. There are funding issues which need to be sorted through during the period. I have a feeling it was at the end of 1999 that the report was finalised.

Senator McLUCAS—23 December.

Mr O'Connell—I am not quite sure when it was actually agreed to by the ministerial council, but that would be the date when the two years clicked in.

Senator McLUCAS—Can I please get from you on notice a list of the membership of this. Thank you, it has been most informative.

Senator CARR—I have got some questions for the Australian Greenhouse Office.

CHAIR—We will now call the Australian Greenhouse Office.

Ms Tinney—Does this mean that the officers from Environment Australia are no longer required?

Senator ALLISON—I have got one small question for EA.

CHAIR—I think the officers who have been seen can go, and we will deal now with the Australian Greenhouse Office.

Senator McLUCAS—Is there a question for EA that Senator Allison has?

Senator ALLISON—If we go ahead with AGO, I will put it on notice.

Ms Tinney—Thank you.

[5.54 p.m.]

Australian Greenhouse Office

Senator CARR—I will state my objective very clearly here. Minister, could you assist with the proceedings of the committee. I am concerned to know what the change is in the government's position since President Bush's release of his alternative plan to the Kyoto protocol. I am seeking to establish that information. If you are able to facilitate that, I am sure we could speed up the process.

Senator Hill—Since the statement about a week ago?

Senator CARR—Yes.

Senator Hill—I doubt whether there has been any considered government position as a whole. The Prime Minister has made the point that the government is pleased that the United States is accepting a commitment to achieve a better greenhouse gas profile and has set out a program to achieve that goal. But I do not think that government has gone beyond that.

Senator CARR—Has the office provided advice to the minister on the so-called Bush plan? Have you done an assessment?

Mr Carruthers—You will appreciate that the announcement by President Bush last Friday was a significant input to international climate change developments. As with all such matters, it would be normal course that the Australian Greenhouse Office would provide the relevant materials released by the White House to the minister and at this stage some initial summation of its contents.

Senator Hill—Sorry, you have or you haven't?

Mr Carruthers—We have.

Senator Hill—You have provided that?

Mr Carruthers—Yes.

Senator CARR—Are we able to get a copy of that?

Mr Carruthers—I think that is something the minister's office would need to give some guidance on.

Senator CARR—If it is just straight analysis—I am not asking for your advice to the minister—

Senator Hill—Do you have a copy of it here?

Mr Carruthers—Yes.

Senator Hill—I will have a look at it and see whether it is just factual. Do you want to go on while I look at that?

Senator CARR—Do you have any understanding of what the anticipated increase in US emissions will be under the so-called Bush plan?

Mr Carruthers—In the short time since its release on Friday the Australian Greenhouse Office has undertaken some very preliminary initial assessments. We do not regard those as definitive. We do note that a good number of other interested parties, both from within governments internationally and non-government organisations, have made their own assessments and I would observe that they all give rather different pictures. So, as to what

constitutes a correct assessment of the outcomes of the US position, I think we would need to know more details than were available in the publicity materials on Friday.

Senator CARR—There is an analysis done by the World Resources Institute which estimates that President Bush's target of an 18 per cent reduction in emissions is actually equivalent to a 14 per cent increase in the overall emissions. Are you familiar with that World Resources Institute study?

Mr Carruthers—Yes, I have seen that assessment, and it is, as you point out, in the public domain. It is one of the several assessments with differing results that I mentioned.

Senator CARR—What is your judgment? Does it sit in the middle of the range? Is it a reasonable estimate? What is your response, acknowledging that this is still early days?

Mr Carruthers—I would say that the assessment by the World Resources Institute was not greatly different from the initial figuring done by the Australian Greenhouse Office, but I would emphasise that we would not regard that as a definitive estimate.

Senator CARR—No, but at this stage in proceedings it is not an unreasonable assessment?

Mr Carruthers—I actually think that it is a matter for the US administration to explain that. They will know it more fully, Senator.

Senator CARR—The advice you are giving to the Australian parliament, which is what you are doing through this committee, which is a best guess at this stage, is an increase of about 14 per cent in overall emissions?

Mr Carruthers—Yes.

Senator CARR—Is it the case that the same body made a comparison of the emission intensity improvements in the United States over the past 10 years and their assessment was that there had been just under 16.9 per cent reductions over that period? Is that about right?

Mr Carruthers—I do not recall exactly what we said in the brief on that score, Senator, as Senator Hill has the materials with him.

Senator CARR—The World Resources Institute is essentially saying that, while there has been 16.9 per cent reduction in the last 10 years, under the Bush proposals it would be a 17.5 per cent reduction, which is in effect about 14 per cent increase. So it is pretty much business as usual. Is that not the impact of what they are suggesting to us?

Mr Carruthers—The US presentation, as we understood it, provided for a differential, due to the package presented, of about a 0.4 per cent per annum decrease in the greenhouse intensity of the American economy as a result of the package.

Senator CARR—If that were the case across all countries, what sort of environmental impacts do you think are likely to flow?

Mr Carruthers—We have not done any international analysis of that at this point.

Senator Hill—This advice does include a certain amount of analysis and comment on the initiative and, therefore, I think it should be taken on notice and Minister Kemp rightfully has the responsibility to decide—

Senator CARR—Thank you, Senator Hill, for considering that. Is it possible to get a quick response to that request?

Senator Hill—We can refer it to Dr Kemp quickly.

Senator CARR—With the attached request that it be dealt with quickly?

Senator Hill—We have attached your request that it be dealt with quickly.

Senator CARR—We all come back here in May.

Senator Hill—I know that.

Senator CARR—In the spirit in which we are approaching this issue, I would ask that that request be passed on.

Senator Hill—I suspect that his response will be that most of the document could be tabled but part of it should not be.

Senator CARR—So you can excise a section of it?

Senator Hill—He may want to approach it that way.

Senator CARR—Thank you. I just noticed that in parliament in November 1999—

Senator Hill—I should also draw your attention to the joint press release on 15 February of Dr Kemp and Mr Downer on this subject.

Senator CARR—I am aware of that press release. The government said:

The Government will closely examine its future climate change strategy in the light of the approach outlined by President Bush and developments in relation to the Kyoto Protocol.

Does this indicate that the government is proposing a policy shift on climate change?

Senator Hill—We have always said that a critically important piece of the jigsaw is the position of the United States because it is the world's largest emitter of greenhouse gases. We have always said that our ultimate objective is an effective global response; therefore the way in which the task is described in the press release seems to me, if it is not too gratuitous to say so, quite sensible.

Senator CARR—Has the department been directed to conduct a review of the policy?

Senator Hill—Can I get an answer to that. Has Minister Kemp instructed you to develop further work on that?

Mr Bamsey—No, we have not been instructed to conduct any review of the Australian policy in the light of the Bush statement. We are continuing to analyse the outcomes of the negotiations.

Senator CARR—The joint press statement that the minister has referred to indicated that the government believe that there are elements of the approach outlined by the President which 'appear consistent with Australia's longstanding views on how climate change can best be addressed'. What were the elements that were consistent with Australia's longstanding views on climate change?

Senator Hill—You can run through some of those you have listed.

Mr Carruthers—I believe those points are essentially made in that press release, which says, as Senator Hill said before:

The government remains of the view that to be effective, action to address climate change needs to include all major emitters, including the United States and developing countries.

It went on to say:

We welcome the comprehensive range of measures announced by the United States to reduce the greenhouse gas intensity of its economy.

Australia, from the very outset with the development of the framework convention on climate change in 1992 and in subsequent international development, has held to the importance of

comprehensive action across all gases and sectors, both sources and sinks. There were also a number of specific measures, of course, that have significant relevance from the viewpoint of Australia's greenhouse action agenda. So I would read the press release as referring to those linkages.

Senator CARR—The press release said:

We welcome the emphasis in the President's statement on the need for a workable climate change regime to be economically manageable.

What does the department, or the minister, believe is meant by 'economically manageable'?

Mr Carruthers—Perhaps the answer to that could be found in the first sentence of the paragraph, which speaks to the criteria of cost-effectiveness and minimising the impact upon the trade competitiveness of countries that implement them. It is a longstanding position of the Australian government in the international negotiations that those criteria are fundamental to a sound international framework for addressing climate change for the present and the long term.

Senator CARR—Given the supporting comments that the government has made, is this the same sort of approach that is going to be followed with regard to the emissions intensity targets?

Mr Carruthers—I am not sure what the expression 'when we go to the emissions intensity targets' means here. The US has announced a position around that concept. Right at the outset, Senator Hill explained the current situation with the government and its consideration of its forward approach on international climate change policy.

Senator CARR—So is this American approach being considered by the Australian government in regard to the adoption of emission intensity targets?

Mr Carruthers—The Australian Greenhouse Office has not been asked to address that matter with the government. As I have advised already, we have provided some very initial and preliminary assessment of an information character to the minister, but we have not been asked to advise the government at this point on what it would mean in terms of a strategic option for an international regime, if that is the point of your question.

Senator CARR—Senator Hill, when you were describing the Kyoto protocols in December 1997, I understand that you made the point that it was a win-win result for Australia and that the Kyoto protocols protect Australia's export competitiveness and employment prospects in Australia's substantial mineral processing and energy export industries. Is that correct?

Senator Hill—I may well have said that, because that is my view.

Senator CARR—Is that still the Australian government's view?

Senator Hill—I think that, by and large, what has happened since has been the development of the rules. The government is conducting an economic analysis at the moment that will paint a more definitive picture. But I think, from what I know about it, that the outcome will be seen to be a fair outcome for Australia.

Senator CARR—Given that Minister Downer and Minister Kemp are now saying that we need to have an economically manageable approach, does that imply that the approach that you took was not economically manageable?

Senator Hill—We have always had an economically manageable approach. We have said that from day one in this process. If it is any help to you—I do not want to be

misinterpreted—the May estimates might be more productive on this subject matter because we would have had the economic analysis, we would have had time to properly analyse President Bush's alternative and we would also have had some indication how this parallel process is designed to work. We would have had a considered reaction by other parties to the protocol as well as to the convention.

Senator CARR—I appreciate the point you are making. I will pursue it in the May round. What I am concerned to establish is the view that you took on repeated occasions. I have a quote here from April 1998 where you said:

Australia did not get a free ride in Kyoto. We argued for and obtained a challenging but realistic target which was both environmentally and economically responsible.

What I would like to know is whether or not the government has changed its position.

Senator Hill—No, the government has not changed its position. The Prime Minister has repeated similar words on many occasions, at that time and subsequently. But the picture has been significantly changed by the United States, the world's largest emitter, withdrawing from the Kyoto process.

Senator CARR—What we have got, though, is the Australian government basically welcoming the United States in statements by Ministers Kemp and Downer. That contrasts with the position put by Canada, which described the US plan as insufficient and as a mistake. We have got the European Union, which says that it seems that President Bush's proposal will not lead to a reduction of greenhouse emissions but allows a significant increase. We have got Germany saying that at first glance the context looked disappointing and that one can hardly expect any decrease in the already high levels of US emissions. We have got Japan saying that it will continue to work by Kyoto protocols. Given that all of these international competitor countries for Australia are taking a substantially different position from Australia, is it still possible to say that the Australian government is maintaining the positions that you put forward when you were the Minister for the Environment and Heritage?

Senator Hill—I think that is fair to say. There has been no considered change in government policy. The policy has been that Australia should make a fair contribution, along with other countries, towards addressing this global problem, that the target we accepted in Kyoto was a fair target and that the work that has been done since has tended to confirm that fact. The thing that has substantially changed is the United States withdrawal from Kyoto. Where we differ a bit from some other countries, I think, has been that they have had a view that the rest of the world can just march on on one path and the United States will suddenly realise that it should be on the same path. We have argued that that is not a realistic assessment of the United States approach and is not going to be the most effective way of bringing the United States back within a global response, which is the goal of the whole project. So we rather have said, 'Let's see what the United States comes up with, let's talk to them about it, let's see if it can contribute to achieving that better global outcome.' We have already got our target, we have already got our program—

Senator CARR—And you are committed to stick with those?

Senator Hill—We have committed large sums of public money towards it.

Senator CARR—Are you committed to sticking with those targets?

Senator Hill—That is the position of the government. The position has not changed.

Senator CARR—My final question is: will the Australian government continue to encourage the United States to return to the Kyoto protocols?

Senator Hill—Ideally, we would prefer—as I was trying to imply—all countries to be on the same path. It makes it easier to assess whether each and all countries are making a fair effort relative to each other. But, whether that is our view or not, the United States decided to take a different path. What we are interested in now is whether two paths can achieve the goal that we were seeking.

Senator ALLISON—Has the department completed the third national communication, as it is required to do under the UNFCC?

Mr Carruthers—The Australian Greenhouse Office has had the lead role in relation to the third national communication. It has not been submitted as yet. Minister Kemp has been advised that there are major new results on Australia's land clearing emissions which will be available very shortly. They have a significant role in the national communication. He wishes those to be incorporated before the national communication goes forward. That should be in about two months time.

Senator ALLISON—It was due in November last year.

Mr Carruthers—That is correct.

Senator Hill—There is no point in debating with the official. The official says it has not gone in and he has given the reason why.

Senator ALLISON—Thank you.

Senator Hill—I think you will find that we are more prompt in our returns under this process than most countries in the world.

Senator ALLISON—That is very good. I have a set of questions about the renewable energy certificates which I can put on notice. I will do that. I wanted to raise just one other question about the diesel and alternative fuels conversion program. It is my understanding that the ethanol bus people Ventura had applied for funding under this program. They received it the first time round and they are puzzled that they were knocked back this time. Can you provide some advice on why this might have been the case?

Dr Wright—That program was actually administered by the Australian Taxation Office. The AGO is only responsible for certification of fuels.

Senator ALLISON—Is the renewable energy commercialisation program going to be ongoing? Is there any question that the program would finish prematurely?

Dr Wright—Funds are now fully committed from that program, so when the current forward estimates are fully spent we would need to go forward in the normal budget process to seek either renewed funding for the program or a new program. That has not yet occurred, but the funding has not come to a conclusion.

Senator ALLISON—When does funding come to a conclusion?

Dr Wright—2003.

Senator ALLISON—So there is a 2003 component? Is it the end of 2003?

Dr Wright—There is. I would just like to check before answering that. Currently, the final year of funding is 2003-04.

Senator ALLISON—Are you saying the applications under the diesel alternative fuels conversion program do not go through the AGO at all?

Dr Wright—Sorry, Senator. If you are talking about the alternative fuels conversion program, AFCP, that is our responsibility. Would you like to repeat the question?

Senator ALLISON—Applications were made, as I understand it, from Ventura for two ethanol buses and they were knocked back, whereas their previous application, which I understand to be along the same lines, was accepted some time earlier.

Dr Wright—That is a question of detail, Senator. I am happy to take it on notice.

Senator ALLISON—There is no problem, as I understand it, with the budget. There is still plenty of money in that budget. Can you confirm that?

Dr Wright—There is no problem with the budget.

Senator ALLISON—Can you advise on that question as soon as possible?

Dr Wright—Certainly.

CHAIR—Is that it?

Senator ALLISON—I will put the rest of my questions on notice.

CHAIR—Thank you, very much, Senator Allison. The rest of Senator Allison's questions will go on notice.

Senator ALLISON—Could I ask that the answers to questions put on notice come to the committee much sooner than the last batch did. We received, from the June estimates, answers to questions as late as a week or so ago.

CHAIR—Yes. The committee did write two letters about questions on notice, but the government was very tied up and busy at the end of last year. That was discussed yesterday. Hopefully, the questions will come back much more quickly this time.

Senator ALLISON—It is a great disincentive to put questions on notice when there is a lengthy time frame.

CHAIR—Particular circumstances applied to last year.

Senator Hill—You have a better minister now.

Senator CARR—When we get into full swing, there will be a substantial volume of work which we can do across the table. If it actually requires us to do it across the table, we will sit here for the full period of time required.

CHAIR—That comment is noted.

Senator CARR—It is a promise.

Senator Hill—It is not a threat; it is a promise. I will take it as a threat.

CHAIR—That completes the examination of the Environment and Heritage portfolio. I thank the ministers and officers for their attendance and Hansard and Broadcasting for their efficient services. I thank senators for their participation and goodwill. With that, I conclude these estimates.

Committee adjourned at 6.21 p.m.

