



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATION, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

Consideration of Budget Estimates

THURSDAY, 30 MAY 2002

CANBERRA

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SENATE

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

Thursday, 30 May 2002

Members: Senator Eggleston (*Chair*), Senator Mackay (*Deputy Chair*), Senators Bartlett, Calvert, Lundy and Tchen

Senators in attendance: Senators Allison, Bartlett, Calvert, Carr, Crossin, Eggleston, Lundy, Mackay, McLucas, O'Brien and Tchen

Committee met at 9.14 a.m.

ENVIRONMENT AND HERITAGE PORTFOLIO

In Attendance

Senator Kemp, Minister for the Arts and Sport

Department of the Environment and Heritage

Mr Roger Beale, Secretary, Department of the Environment and Heritage

Outcome 1: Environment

Ms Anthea Tinney, Deputy Secretary

Mr Stephen Hunter, Deputy Secretary

Dr Conall O'Connell, Acting Deputy Secretary

Environment Quality Division

Mr Phillip Glyde, First Assistant Secretary, Environment Quality Division

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

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

Mr Richard Webb, Acting Assistant Secretary, Sustainable Industries Branch

Mr Bruce Male, Director, Sustainable Industries Branch

Approvals and Legislation Division

Mr Gerard Early, First Assistant Secretary, Approvals and Legislation Division

Ms Stephanie Martin, Assistant Secretary, Policy and Compliance Branch

Mr Malcolm Forbes, Assistant Secretary, Environment Assessment and Approvals Branch

Mr Tim Kahn, Director, Environment Assessment and Approvals Branch

Australian and World Heritage Division (including Australian Heritage Commission)

Dr Barry Reville, Acting First Assistant Secretary, Australian and World Heritage Division and Acting Executive Director, Australian Heritage Commission

Mr Kevin Keefe, Assistant Secretary, Australian and World Heritage Division and Deputy Executive Director, Australian Heritage Commission

Ms Christine Lawrence, Acting Assistant Secretary, Australian and World Heritage

Division and Acting Deputy Executive Director, Australian Heritage Commission

Ms Alison Archer, Director, Heritage Assistance and Projects Section

Natural Heritage Division

Ms Rhondda Dickson, Acting First Assistant Secretary, Natural Heritage Division

Ms Alex Rankin, Assistant Secretary, National Action Plan Implementation

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

Dr Annemarie Watt, Acting Assistant Secretary, Natural Resource Management Branch

Ms Anne Marie Delahunt, Assistant Secretary, Wildlife Australia Branch

Parks Australia

Mr Peter Cochrane, Director

Mr David Kay, Assistant Secretary, Parks Australia South

Mr Darren Schaeffer, Director, Parks Finance Section

Mr Raymond Kan, Parks Finance Section

Marine and Water Division

Mr Mark Tucker, Acting First Assistant Secretary, Marine and Water Division

Ms Alison Russell French, Assistant Secretary, Marine Coasts and Wetlands Branch

Mr Mark Flanigan, Acting Assistant Secretary, Marine Conservation Branch

Mr Theo Hooy, Acting Assistant Secretary, Water Branch

Australian Antarctic Division

Dr Tony Press, Director

Mr Rod Allen, Acting General Manager, Corporate Services

Supervising Scientist Division

Dr Arthur Johnston, Supervising Scientist

Mr Alex Zapantis, Assistant Secretary, Office of the Supervising Scientist

Dr Max Finlayson, Director, Environmental Research Institute of the Supervising Scientist

Strategic Development Division

Mr David Anderson, First Assistant Secretary, Strategic Development Division

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, Acting Assistant Secretary, Policy and Accountability Branch

Mr Peter Brent, Acting Assistant Secretary, Finance Branch

Australian Greenhouse Office

Dr Colin Grant, Acting 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, Greenhouse Policy Group

Dr David Harrison, Senior Executive Manager, Partnerships and Market Policies Group

Mr James Shevlin, 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

Ms Jacquie Shannon, Manager, Greenhouse Gas Abatement Program

Office of the Renewable Energy Regulator

Mr David Rossiter, Renewable Energy Regulator, Office of the Renewable Energy Regulator

Sydney Harbour Federation Trust

Mr Geoff Bailey, Executive Director

Great Barrier Reef Marine Park Authority

Mr Gregor Manson, Executive Director

Dr Phil Cadwallader, Director, Fisheries

Mr John Barrett, Finance Manager

Bureau of Meteorology

Dr John W. Zillman, Director

National Oceans Office

Ms Veronica Sakell, Director

Mr Sean Sullivan, Deputy Director

Department of the Environment and Heritage

CHAIR—I declare open the environmental section of the estimates and welcome Mr Roger Beale, Secretary of Environment Australia, and his officers to the table. By resolutions of 13 February 2002 and 14 May 2002, the Senate has referred to the committee the particulars of proposed expenditure for the year ending 30 June 2003 for the two portfolios Communications and Information Technology and the Arts and Environment and Heritage. We will today be examining the Environment and Heritage portfolio. The committee is required to report to the Senate on 19 June 2002 and has determined that the deadline for answers to questions placed on notice at this week's hearings will be the close of business on 16 August 2002. The Senate has also resolved that a supplementary hearing should be held on 20 November 2002, with 21 November nominated as the spillover date if required.

I welcome the Minister for the Arts and Sport, Senator Kemp, who is representing the Minister for the Environment and Heritage, Dr David Kemp, and officers from the portfolio. Do you wish to make an opening statement, Minister?

Senator Kemp—Thank you for the opportunity to be here. I think it is important when people read the *Hansard* that they note it is not Dr Kemp at the table, it is Rod Kemp. I will of course do my best, but I am not sure I can match the brilliance of Dr Kemp in this portfolio. Having said that, I hope that we can speed the journey and get through fairly quickly.

CHAIR—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 the minister.

Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege. I also remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. I will call in agencies as per the agenda, and we will begin with the Supervising Scientist Division.

Senator CARR—Before we do that, can I just ask a question regarding questions on notice?

CHAIR—Yes.

Senator CARR—Do we have an indication of any questions on notice that have not been answered?

CHAIR—Mr Beale?

Mr Butterworth—They have all been answered.

Senator CARR—This is why I would like clarification. On page 223 of the *Hansard* from the last round I asked a question in relation to shale oil. It may well be that my record keeping is not up to scratch, which is why I would like to know whether question 223 has been answered. Also, on the next page of the *Hansard* there was a further question in regard to the same topic, the shale oil project in Queensland, specifically relating to the issue of the release of dioxins. It was a question that related to the proposition that the release of dioxins was between 6.6 kilograms and 13.1 kilograms and that this was an amount between two and four times more than the quantity of dioxins annually released in the United States. It was indicated here by Mr Early that the question would be taken on notice. Has the committee received answers to those questions?

Mr Beale—Senator, we think so, but in case we have missed it—

Senator CARR—At this point, can we just establish whether our records are straight on the matter?

Mr Beale—I think we have, Senator, we believe.

Senator CARR—Can I have copies of those?

Mr Beale—Mr Elliott will provide them to the secretariat.

Senator CARR—Thank you very much.

Senator Kemp—Senator Carr, if the question has been filed and given to the secretariat, it is really an issue for the secretariat to deal with. If the question has been passed to your office and your office has not brought it to your attention, of course it is a matter for you to deal with internally.

Senator CARR—My first question is: has it been answered?

Senator Kemp—The answer is yes.

Senator CARR—You believe so.

Mr Beale—I have just seen an answer. Let us check and ensure that it relates to that.

Senator CARR—Thank you. Let us take it from there.

CHAIR—Senator Carr.

Senator CARR—On page 49 of the PBS I see that there is an appropriation of \$8.057 million, which is an increase of \$900,000 from \$7.13 million. Is that correct?

Dr Johnston—Yes, that is correct.

Senator CARR—In regard to output 1.7, inland waters, on page 50, the way I read that is that there has been a decrease of \$1.1 million on the figures from last year to this year. Is that correct?

Dr Johnston—That is also correct.

Senator CARR—How much was actually spent last year?

Dr Johnston—In 2001-02?

Senator CARR—Yes. What was the actual spending on those two programs in the previous period?

Mr Butterworth—Can I draw your attention to page 66 of the Commonwealth Environment Expenditure Statement. The figures there include overheads for these programs, but the figures for uranium mining supervision and research were 8.2 and, on the following page for the wetlands, ecology and conservation, 1.7. I would stress that the year 2001-02 is not yet complete, but they are estimates of actual.

Senator CARR—Do you receive funding under any other output in this program?

Dr Johnston—No, these are the two outputs.

Senator CARR—Explain to me why it is that the funding has been reduced by \$1.1 million for the inland waters and increased under industry?

Dr Johnston—If I might take the two outputs together, the sum total of them, there are a number of changes that have occurred. Some of those relate to changes in the allocation of corporate overheads, and that is an increase of about \$397,000. There are other transfers that have occurred without actual loss of money. For example, there was in the previous allocation in 2001-02 an allocation of \$600,000 related to property expenditure. That has been spent by another division for the same issue but it has just been allocated against them. So that effectively is a minus but the money has been spent. Another issue there is money for IT outsourcing, which was an increase of \$187,000. Then the fourth and important one was an increase in allocation to cover additional work in the uranium mining program related to new responsibilities in monitoring, and that was a sum of \$800,000. The net effect of all of those is an increase of \$794,000 between the two programs.

Senator CARR—But you basically transferred funds from one program to the other. Is that what you are saying?

Dr Johnston—And then having done that, there has been a transfer of about \$350,000 from the wetlands program to the mining program in the current year. And then going from last year to this year there is an overall reduction, as you pointed out, in the wetlands program. That was a decision of the minister based upon priorities within the portfolio.

Senator CARR—So there was a decision by the minister to reduce the wetlands program by \$1.1 million. What rationale do we have for that?

Mr Beale—It is a matter of relative priorities, Senator. In the context of the recommendations from the World Heritage Committee, the independent scientific panel, and the very heavy workload that the Supervising Scientist has in relation to uranium supervision, the minister made a judgment in the overall context of the department's budgetary appropriations, on the basis of my advice, that the highest priority ought to be given to the uranium supervision work of the Supervising Scientist, and that the wetland ecology work, which is important, but slightly longer term, should receive slightly less priority. As you say, there was a rebalancing of those priorities.

Senator CROSSIN—Was any thought given to increasing the budget so that there was not a reduction in one particular area—to increase the overall budget so that the level of activity in the wetlands could be maintained?

Mr Beale—Of course we did consider all of those options, but this was in the context of an exercise where we were having to look across the entire department. Balancing all of those priorities, we thought that it was important to increase the capacity in uranium supervision, that wetlands ecology was very important for a slightly longer run issue, and that within our

total priorities it did not have quite the same rating as others. This was done in the context of a very careful zero-based budget process right across the departments where all the divisions—

Senator CARR—So what we are talking about here is a whole of government priority that says there is no additional moneys available for the portfolio?

Mr Beale—This is looking within the moneys that are available for the portfolio and—

Senator CARR—But that is basically a whole of government approach, that there be zero?

Mr Beale—A whole of portfolio approach.

Senator CARR—But the general parameters set by the amounts that the government is providing to you are essentially that there will be no increase.

Mr Beale—A zero base is simply an indication that within whatever the amount of money you have, you have a process where you have to limit yourself to that total allocation, so you need to look at all the requirements.

Senator CARR—I understand the parameters you are saying, that there is no extra money available, so you have to find some money from within the department to meet these additional requirements. That is what you are putting to us, is it not?

Mr Beale—Yes.

Senator CARR—So the question of priority is an important one in that process and, given that the wetlands project goes to issues of national salinity, water quality, and to the issues in terms of our international responsibilities under Ramsar, there are, of course, quite serious issues when you are undermining that program by \$1.1 million. You are withdrawing \$1.1 million from that program.

Mr Beale—Senator, I would hope that there are none of the programs that the department pursues that are not devoted to serious issues. It is not a question of stopping things that are not good when you are changing priorities; it is really a question of balancing between programs, all of which are very important.

Senator CARR—So, for instance, when you were looking at the issue of priorities, you were saying, ‘This is clearly important otherwise it would not be there, but it has less priority than uranium mining.’ That is the thrust of what you are saying, is it not?

Mr Beale—Not the uranium mine, but the supervision of the effects of uranium mining on—

Senator CARR—In terms of your responsibilities to the uranium industry.

Mr Beale—In terms of our responsibilities to the World Heritage area and the national park.

Senator CARR—For instance, when you looked at all other expenditures by the department, you looked at the full range of activities of the department when you were assessing these priorities, did you?

Mr Beale—Yes.

Senator CARR—So what are you spending, for instance, in terms of advertising? Was that considered?

Mr Beale—The advertising or public information budget tends to be programatically defined as part of different outlays. I cannot tell you what the total is off the cuff for the non-National Action Plan elements of the department’s activities.

Senator CARR—We will come to that in detail. When you were weighing up the value of the protection in terms of salinity or our obligations internationally to the Ramsar conventions you of course assessed all the priorities of the department, didn't you?

Mr Beale—We did.

Senator CARR—So how much extra did you spend on advertising in this budget? Did you cut the advertising budget?

Mr Beale—As I indicated, advertising tends to be allocated within program areas in terms of its importance in contributing to a particular program. The department's finances are provided in a number of different ways, the bulk of which come in the form of special accounts, such as the Natural Heritage Trust and the National Action Plan on Salinity and Water Quality. I can take on notice what we spend outside those areas—

Senator CARR—No. We will be coming to this later on because I will need to examine this issue. You have made the statement to the committee that this was an issue of priority setting within the department. I think we are entitled to know what assessments were made in terms of the corporate services that are provided by the department.

Senator Kemp—Mr Chairman, can I just make a comment? On a number of occasions the witness has not finished his answer and he has been talked over by Senator Carr. That is not acceptable. While I am at the table that will not be allowed to happen and I hope when you are that table that will not be allowed to happen. Senator Carr is perfectly entitled to put his questions and then he is to remain silent until the witness has finished his answer before coming back.

Senator CARR—I can see we will be here for a long day.

Senator Kemp—Have I made myself quite clear, Senator Carr?

CHAIR—I think that is a fair enough point, Senator Carr. You must let the witnesses finish their answers and then follow up on their points.

Senator CARR—I think that is a very reasonable point you make, but in the process of dialogue with the witness there are exchanges of views and we move rapidly. Senator Kemp finds the conversation difficult to follow. I know he is very slow in this regard. Perhaps if I can slow down the way I speak maybe that will make it easier for him to follow the dialogue today. I do emphasise to you, Senator Kemp—

CHAIR—I do—

Senator CARR—You are talking over me now and I am very disappointed to hear that. So could I just make this point, Senator Kemp?

CHAIR—I will let you finish of course, Senator Carr. I will let you complete your remarks.

Senator CARR—I am pleased to hear it. What I would like to know, Senator Kemp, is: are you prepared for the long day and tomorrow? This is the process that one engages in through estimates. If you want to intervene in a pathetic, feeble attempt to protect this government, so be it. I am here for the long haul, Senator.

Senator Kemp—Senator, your childish threats do not worry me one iota. You are not speaking to one of your union meetings with your union thugs. You are actually in the Senate and you ought to treat witnesses before this table with a degree of courtesy and while I am at this table that is exactly what you will be doing. If you want to go on all night and all next week, I am sure you may get lucky and find someone who is prepared to join you but I

sincerely doubt it. The point I was making to you is that I want the witness to be able to finish his or her answer without being overridden by you. It is a perfectly reasonable statement and I assume that the chair intends to enforce that.

CHAIR—I will.

Senator Kemp—Leave your pathetic threats elsewhere. They do not worry me one iota.

CHAIR—I think we should move on. The point has been made that the witnesses should be allowed to finish their answers. I think that is a reasonable point. Let us conduct the rest of this inquiry in that manner.

Mr Beale—I cannot provide you with an answer at the moment on advertising in relation to this set of activities within the department, noting that advertising is usually part of a program budget. I can say to you that the corporate overheads receive the same scrutiny as all of the program expenditures and that there was a net overall reduction in excess of \$1.2 million in corporate overheads. I will find out for you what the relative advertisement expenditure for these non-NHT, non-NAP programs are year on year.

Senator CARR—Thank you for that, Mr Beale. But I am interested to know what is the full advertising budget for the department, including the Natural Heritage Trust moneys—the full advertising budget for the department. I will obviously be seeking information about the changes in consultancies and a range of other matters. I do think that when looking at the issue of priority setting we have to look at the full picture.

Mr Beale—I would certainly be happy to take that on notice. To make a point on consultancies, for example, even within this important work that we have referred to from the Supervising Scientist, consultancies can be an important part of delivering that research activity.

Senator CARR—When you say ‘take it on notice’, Mr Beale, I am anxious to have this material when we are discussing the department’s administration later this afternoon. Would it be possible to have that material available by then?

Mr Beale—We will endeavour to meet that.

Senator CARR—Thank you very much.

Senator CROSSIN—Mr Beale, I think somebody mentioned that \$800,000 had been spent on a response to reports regarding the impact of mining and your new responsibilities there. Could you give me a breakdown of exactly what that \$800,000 consisted of?

Dr Johnston—There are a number of components. The largest one is the funding of about \$400,000 to allow me to undertake a new and independent monitoring program. In the past, the responsibilities of the Supervising Scientist were principally in research and in supervision. As a result of a decision of the government two years ago, we now undertake a monitoring program in the vicinity of both the Ranger Mine and the Jabiluka project. So the \$400,000 was to enable us to do that.

In addition, there was funding totalling again \$400,000 related to the implementation of measures following the recommendations of the independent science panel to the World Heritage Committee. Amongst those were three principal issues: one, to enable us to employ a specialist in hydrology with the expertise to assess the water treatment issues; second, funding to enable us to run the new Alligator Rivers region technical committee, which now has seven independent members; and the third was to allow us to begin the development of a landscape-wide monitoring program related to the Jabiluka project.

Senator ALLISON—Sorry, Dr Johnston, I missed the third element of the program.

Dr Johnston—It was to allow us to develop a landscape-wide monitoring program related to the Jabiluka project, or, more generally, mining in the regions.

Senator ALLISON—Landscape-wide?

Dr Johnston—That was a specific recommendation of the independent science panel.

Senator CARR—Can I continue with the discussion, Dr Johnston. In terms of the corporate overheads for each of the two outputs that we are discussing here, can you indicate what was actually spent?

Dr Johnston—The corporate overheads for the uranium mining program—that is, the departmental overheads—were the sum of \$1.7 million appropriation and \$200,000 in revenue for 2000-01. In 2001-02 it was a total of \$2.5 million, and in 2002-03 it is a total of about \$2.7 million, plus \$200,000.

Senator CARR—Can we go through this? It goes from \$1.7 million to \$2.5 million to \$2.7 million?

Dr Johnston—No, the corporate overheads were a total of \$2.6 million in 2001-02, and in 2002-03 it is about \$2.7 million.

Senator CARR—So it goes from \$2.6 million. Where did the \$1.7 million figure come from?

Dr Johnston—I am sorry. The previous one was \$1.9 million.

Senator CARR—Okay, \$1.9 million, if you include the \$0.2 million in revenue.

Dr Johnston—Yes.

Senator CARR—So we have gone from \$1.9 million, including \$0.2 million in revenue, to \$2.6 million, to \$2.7 million.

Dr Johnston—Yes.

Senator CARR—That is a substantial increase over that period. How do you account for that?

Dr Johnston—I would have to ask Mr Butterworth to answer that.

Mr Butterworth—I would have to take the question on notice, Senator, in terms of the actual components. The corporate overheads reflect such things as the rent the department pays, the capital user charge, the salaries and operating costs of the support services the department provides to the Supervising Scientist, and things of that nature.

Senator CARR—How much has the revenue changed over the last three years?

Dr Johnston—The revenue to the Supervising Scientist?

Senator CARR—In the first figure you gave me you said there was \$0.2 million in revenue. What is the comparative figure for the next two years?

Dr Johnston—The revenue component was \$0.275 million in 2001-02 and is \$0.294 in 2002-03.

Senator CARR—Where has that revenue come from?

Dr Johnston—Again, that is the corporate revenue.

Senator CARR—How is that revenue derived?

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

Senator CARR—Perhaps you could take it on notice, but enlighten me—give me a bit of a clue—as to where you get the money from.

Mr Butterworth—It would depend. There would be a variety of revenue sources across the department. I am not sure that too many of them relate specifically to the Supervising Scientist. For instance, we earn interest on our cash holdings, we sell publications and things of that nature.

Senator CARR—Hang on. I have asked a specific question about overheads for the Supervising Scientist and I have been told that there was \$0.2 million in revenue.

Mr Butterworth—There are a variety of revenue sources that are very difficult to apportion specifically to activities of the department. Those are treated as overheads and allocated across the programs.

Senator CARR—I see. So you have done an arbitrary allocation across the programs?

Mr Butterworth—It is a proportional allocation.

Senator CARR—Is the same approach taken on the advertising budget?

Mr Butterworth—I do not understand the question.

Senator CARR—We have talked before about priorities, and we are told that some programs are specific—advertising is specifically allocated over a particular program. You are telling me now that revenue, however, is distributed for accounting purposes across all the programs.

Mr Butterworth—General revenue for the department is treated in that way. With things like the interest on our cash holdings, it is very difficult once we have filled the revenue to be precise about where the cash has come from.

Senator CARR—With regard to the expenditure of \$2.6 million for corporate overheads, how realistic is it to attribute \$0.2 million?

Mr Butterworth—What we are trying to do in this accounting framework is give you an estimate of the complete cost of the department's activities on an output basis.

Senator CARR—That is a meaningless figure, then, isn't it?

Mr Butterworth—It is not meaningless; it is a component of the costs of servicing the Supervising Scientist.

Senator CARR—What we can say, though, is that over the three-year period the amount of money spent on corporate services for this particular program, the Supervising Scientist, has gone up from \$1.7 million to \$2.7 million. That is right, isn't it?

Dr Johnston—Those are the figures I have, yes.

Senator CARR—So it is up by 40 per cent?

Dr Johnston—I presume that reflects an overall increase, because it is done by a pro rata distribution across the divisions in the department.

Senator CARR—You do not actually control that, do you?

Dr Johnston—No. There is, of course, separate revenue that comes directly to us for our own activities.

Senator CARR—Remember where I started: I asked why it was that this program had been reduced in its appropriation by \$1.1 million. We now discover that the corporate overheads have increased by \$1 million.

Dr Johnston—Over the period of three years, but not between the two years you were comparing.

Senator CARR—No, but we are looking at the total picture of what is before us. How much will the increase in the out years be for this program? Do we have an increase in this program, or does it continue to decline over the out years?

Dr Johnston—Are you referring to the total or are you referring to the corporate overheads?

Senator CARR—We have talked about the appropriation of \$1.7 million for inland waters—will that money be restored in the out years?

Dr Johnston—I will refer you to pages 66 and 67. At the very bottom of page 66 it says that the expenditure for the uranium mining program is \$8.2 million in 2001-02, \$8.1 million in 2002-03, \$7.8 million in 2003-04, \$8 million in 2004-05 and \$8 million in 2005-06.

Senator CARR—That remains relatively constant.

Dr Johnston—It is constant. Similarly in the wetlands program: 2002-03 has \$0.8 million and it is the same in each of the out years.

Senator CARR—So the money is not restored?

Dr Johnston—No.

Senator CARR—But your corporate expenditure is going up.

Dr Johnston—The corporate expenditure in the out years is similar to 2002-03, with a slight decrease in 2003-04. That decrease is maintained in the subsequent out years. So it is a small decrease.

Senator CARR—So by 2005 you anticipate that you will be still spending about \$2.7 million on overheads—is that right?

Dr Johnston—For 2005-06, in fact, the figure is \$2.8 million.

Senator CARR—In the forward projections you have a relatively stable figure, but in the previous two years the figure has increased by almost 40 per cent. How do you account for that discrepancy?

Mr Butterworth—I will look those figures up for you and give you an answer shortly.

Senator CARR—Will you be able to come back fairly quickly on that?

Mr Butterworth—Yes.

Senator CARR—You say it is spent on wages and various other things—presumably the electricity bill and that sort of stuff. It is the general operating expenses, isn't it?

Mr Butterworth—Of those elements of the department that provide services across the department, that is correct.

Senator CARR—How much was spent on international conferences?

Mr Butterworth—I do not have that figure at hand, but I can ask for it.

Senator CARR—Will that take long to get?

Mr Beale—I do not believe that it will take particularly long. We can provide an international travel figure. I am not sure that you can distinguish conferences as such. Are you looking for a distinction? Dr Johnston, for example, has staff who attend expert meetings on uranium science. Then there will be separate activities—for example, our teams that negotiate

in all the various international conventions. I am not sure that we can distinguish very rapidly between academic conferences and other sorts of overseas travel.

Senator CARR—Your output 1.4.7 in the May 2000 estimates says that the Supervising Scientist spent half a million dollars preparing and participating in overseas conferences, so you must have had an assessment at some point.

Mr Beale—Were you asking about the Office of the Supervising Scientist or the department as a whole?

Senator CARR—I am trying to get to two programs in particular. We have one that deals directly with the uranium mine and another one that deals with wetlands. We have had an increase in overheads of 40 per cent. I am trying to get to the bottom of why that is. You tell me that it is because of wages. I do not believe wages have gone up 40 per cent. Did rent go up 40 per cent? What is the great contributing factor that would lead to such a dramatic increase?

Mr Butterworth—As I have indicated, we will look up those numbers for you and give you a response shortly. On the issue of international conferences, by and large they will be assigned to the specific output they serve. There will be some international conferences that the department attends that will serve a variety of outputs, and they may be treated as an overhead. But as a general rule the attendance at international conferences will be assigned directly to the output group they serve.

Senator CARR—Why don't you get me a detail of the conferences that were attended in the last year and whether or not they were related to the inland waters output or the industry group output. How many people attended these conferences and what was the nature of the conferences? Can you provide that for me?

Dr Johnston—I will clarify that. As Mr Butterworth has just said, that type of activity is included within our allocation as distinct from the corporate overheads.

Senator CARR—So there is more money spent?

Dr Johnston—The corporate overheads—we have our own allocation for all of those things. The total expenditure on things like international travel last year was of the order of, say, \$50,000, maybe \$60,000, but I would have to clarify that for you.

Senator CARR—How much was spent in corporate services on travel, and what was it spent on? I am particularly interested to know the details of conferences, who attended, what were the conferences about and which particular output were they related to.

Dr Johnston—For all of the Supervising Scientist Division?

Senator CARR—Yes. Are there other conferences which fit within this particular appropriation?

Mr Beale—We are talking about the Supervising Scientist's outputs and any conferences that are covered by the corporate overhead; is that correct?

Senator CARR—That is right.

Mr Beale—Thank you.

Senator CARR—How many staff are employed in Darwin?

Dr Johnston—During the current financial year?

Senator CARR—Yes.

Dr Johnston—I think about 18.

Senator CARR—And at Jabiru?

Dr Johnston—The maximum must be about 25. I can provide the details for you, but it is of that order.

Senator CARR—You have some new facilities in Darwin?

Dr Johnston—We have not yet moved into the new facilities but they are currently being constructed. We expect to move into them—

Senator CARR—When will they be completed?

Dr Johnston—In July.

Senator CARR—So they must be pretty close to completion.

Dr Johnston—Very close to completion now, yes.

Senator CARR—How many staff will be in each of the new Darwin facilities or at the new sites?

Dr Johnston—The site is occupied by the Supervising Scientist Division and by Parks Australia North. The Supervising Scientist Division component would be about 35 and Parks Australia North, I believe, is about eight.

Senator CARR—So it is going from 18 to 35—is that the intention?

Dr Johnston—Yes. The people who are in Darwin at the moment are occupying temporary accommodation. At least half of them have been in Jabiru. Twelve of them have been in Jabiru.

Senator CARR—Are you expecting to move some people from Jabiru?

Dr Johnston—Yes. All of the staff at ERISS, other than six positions, will be located in Darwin from July and August onwards.

Senator CARR—When these new facilities were commissioned, if you like, when the whole process began, was it the view that these facilities would primarily be to enhance the cooperative research and ventures on wetland management issues with the NTU?

Dr Johnston—That certainly was the case, though not just with the NTU but with other scientific organisations in Darwin, such as CSIRO. Also, it was not restricted to the issues of the wetlands but also to uranium mining research.

Senator CARR—If the government has reduced your moneys for the wetlands program by half, which is what the situation is—a \$1.1 million reduction—it is about half?

Dr Johnson—Yes.

Senator CARR—Isn't there a case to be made that it also wasted a great deal of money on the relocations?

Dr Johnston—I do not believe so. We have to transfer responsibilities across from the wetlands program to the uranium program. The numbers of staff will be down a bit but in total not significantly, and we hope to develop the wetlands program in cooperation with our other partners in such a way that those other partners will use the facilities as well as us.

Senator CARR—You say the staffing will be down a bit. How many?

Dr Johnston—I expect to lose about five staff in total.

Senator CARR—Are there going to be any redundancies?

Dr Johnston—There will be redundancies, yes, or at least possible transfers to occupations elsewhere. But yes, there will be a reduction in staff.

Senator CARR—Has the process of discussion begun with the staff on that issue?

Dr Johnston—Yes, it has.

Senator CARR—How many of them have actually been told that they are going to be made redundant?

Dr Johnston—Three.

Senator CARR—You have actually told three people. Were they not offered transfers?

Dr Johnston—They will, of course, be offered the full range of the scheme, which is not just voluntary redundancy. The first step in such a process is redeployment, if possible. The department operates a priority placement register, and all staff who wish to be redeployed would be placed on that register.

Senator CARR—What are the areas that the three persons so identified will come from?

Dr Johnston—One is in our divisional support area—the corporate part of Supervising Scientist—and two are in the wetlands area.

Senator CARR—So there is actually less work being done in the wetlands area now, is there?

Dr Johnston—Yes, indeed, with the reduction in budget that we had.

Senator CROSSIN—Once you move into Darwin, there will only be six staff left out of Jabiru, is that correct?

Dr Johnston—That is correct.

Senator CARR—What are the duties and qualifications of the six staff who will stay at Jabiru?

Dr Johnston—The six positions out there include someone who is going to be the manager of the field station, who has scientific qualifications as well. That person will, in addition to managing the facility and the staff there, assist Mr Zapantis in the supervisory role that his branch carries out with respect to uranium mining. There will be three positions devoted entirely to the new monitoring program that we now conduct. They will be located in Jabiru and will be supported by the manager. One position is devoted to liaison and communication with the local population—in particular, the Aboriginal community. There will also be one person who will provide local corporate support and other duties.

Senator CARR—In the list that you have given us, there was not much of an emphasis on the capacity to actually conduct the necessary responses should there be further environmental incidents at the mine.

Dr Johnston—I mentioned that the duties of the manager would be to provide support to Mr Zapantis in the supervisory role, and that indeed is very much the first point of call if anything occurs at the mine site. That person would be immediately on the spot.

Senator CARR—So there is one person.

Dr Johnston—He has the support of the other technical people as well, but that person is the first point of contact, and will be in Jabiru as opposed to Darwin—which, I may point out, is the perfect—

Senator CARR—How many staff currently conduct mine site inspections; that is, in terms of your supervisory role?

Dr Johnston—At the moment, Mr Zapantis has three senior positions—in addition to himself—that deal with those issues, located in Darwin. Those positions will be maintained in Darwin in the future. In addition, to ensure that we have the ability to respond quickly in Jabiru, part of the responsibilities of the new manager will be to undertake those immediate site inspections.

Senator CARR—So those three persons will be transferred?

Dr Johnston—No. Those three persons are currently in Darwin and always have been, and they will remain in Darwin.

Senator CARR—But the only person who is capable of doing the monitoring work associated with an incident is the supervisor, is that right?

Dr Johnston—No. There are three technical people whose responsibilities involve chemical, radiological and biological monitoring. Those people have the expertise to assist the manager should that be needed; for example, they can go on site and collect samples—whatever is required.

Senator CARR—In terms of conducting analytical chemistry tests, how many at Jabiru will be able to do that?

Dr Johnston—Our analytical chemistry is essentially in two parts: one is gross chemistry analysis, which can be done locally and quickly, and that continues to be done in Jabiru; we currently outsource all of the other more sophisticated analysis in any case, and that process will continue. We buy the services from an external analytical supplier.

Senator CARR—Have you done any modelling work? Have you given any consideration to how many staff you would need if a further incident were to occur at Jabiru?

Dr Johnston—We have done a very detailed analysis of the work program and presence of staff in Jabiru and Darwin—for example, on a daily basis, for the next year. We have a very clear idea of what would be expected. We have the ability to respond very quickly to any possible incidents. First of all, we would use the staff located, as I have mentioned, in Jabiru; those from Darwin, if necessary, are a 2½-hour drive away. I do not see this as an issue; in fact, I see that the future for the mine site inspection role has been enhanced, rather than decreased, by the new arrangements.

Senator CARR—Enhanced, do you think?

Dr Johnston—Yes.

Senator CARR—Has there been any reassessment of the transfers in light of the two incidents that occurred this year?

Dr Johnston—No.

Senator CARR—You do not think there was a requirement to review the—

Dr Johnston—I do not believe so, given our role. I think it is essential that we have the ability to respond quickly as required to get on site and see what has actually occurred. The important thing is that we maintain the ability, the competence and the expertise within the organisation to conduct thorough assessments and reviews of operations, and that continues.

Senator CARR—Senator Crossin wants to get some details. She knows the ground a lot more thoroughly than I do. How much are you actually spending on the development of the new facilities in Darwin?

Dr Johnston—That is being done as a scheme by which a developer builds the facility and the department leases it back.

Senator CARR—So it is a BOO scheme?

Dr Johnston—It is a BOO scheme. That is exactly right.

Senator CARR—How much is it costing the department?

Dr Johnston—Mr Butterworth can confirm the exact figures, but the fit-out of the building, which we will be paying for, is about \$2.5 million.

Senator CARR—And that is not part of your overheads allocation, is it?

Dr Johnston—Yes, it is; part of the departmental one. It is in the departmental overheads for everyone.

Senator CARR—But is it in the allocation you have made against this program?

Dr Johnston—Not against this program.

Mr Butterworth—It is tracked as a departmental overhead.

Senator CARR—So there is another budget line I have to look at to find that?

Mr Beale—No, that is in the departmental overheads that have been attributed across activities. So it is notionally part of the overhead component that we were talking about earlier.

Dr Johnston—That is right.

Senator CARR—So that is a fit-out. You say it is on a lease-back arrangement. What are the leasing costs?

Dr Johnston—Roughly \$600,000 per annum.

Senator CARR—Where does that come from?

Dr Johnston—Again, it comes under corporate overheads for the department as a whole.

Senator CARR—How many years will you be leasing it back for?

Dr Johnston—Ten years in the first instance, extendable by five and a subsequent five.

Senator CARR—Is there an indexation clause within that repayment schedule?

Dr Johnston—Yes, there is.

Senator CARR—What is that indexation rate?

Dr Johnston—I would have to take that on notice.

Mr Butterworth—There is one.

Senator CARR—Will the building revert to Commonwealth ownership at the end of the contract?

Dr Johnston—No, it is owned by the developer.

Senator CARR—So for 20 years we will be paying, in today's moneys, \$600,000 and we do not even get the building back? Is that the case?

Dr Johnston—It is the case, but it is the case for all such buildings.

Senator CARR—No, it is not.

Mr Butterworth—The lease payments are equivalent to rent.

Senator CARR—Yes, they are. But it is a substantial rent over 10 years.

Mr Butterworth—It is a substantial building.

Senator CARR—But the Commonwealth does not get to own the building having built this specific building. You are saying then that the developer could sell it on you.

Dr Johnston—The lease payments—rent per square metre for that building—are very similar to any other building in Darwin. So in lease terms, it is a reasonable rent.

Senator CARR—Could you just move out to any other building or is this built specifically?

Dr Johnston—No, it is a specialist building. It is a specialist laboratory.

Senator CARR—It is a specialised building for you. You do not have alternatives elsewhere, do you? The comparison is not particularly a reasonable one.

Dr Johnston—I was just making the point that the figures spent in rent—

Senator CARR—I know the point you are making. I am interested in the overall impact on the Commonwealth budget.

Mr Beale—I think the point that was being made is the net impact on the Commonwealth budget. Whether this is a straight rental deal or a BOO type scheme, or if you are implicitly costing the costs of ownership, as an available option in the government's policy area it is about equivalent and the rental cost itself is consistent with the Darwin market at large.

Senator CARR—That is the argument you put to me. How owns the land?

Dr Johnston—It is leased by Darwin International Airport from the Commonwealth.

Senator CARR—So it is Commonwealth land?

Dr Johnston—Yes.

Senator CARR—It is someone else's building on Commonwealth land, we are paying them for 20 years for the privilege of using their building, and at the end of that the Commonwealth does not get the building.

Mr Beale—And at the end of that, Senator, the total resource costs to the Commonwealth would seem to be equivalent to the alternative of a rental arrangement or an own-and-construct arrangement. But the government's overall framework is where possible not to be a property owner and manager in its own right.

Senator CROSSIN—What is the lease cost per square metre in this new building?

Dr Johnston—I will have to take that on notice. It is about \$300.

Senator CARR—It is not a BOO scheme at all.

Dr Johnston—It is \$300 per square metre. I will have to give it to you on notice. It is comparable with the other one in Darwin.

Senator CROSSIN—Perhaps if you could give me the information to see if it is comparable.

CHAIR—Can you get that information for the Senator today?

Dr Johnston—Yes.

Senator CARR—Mr Beale, do you have any other buildings that have been provided by the department on Commonwealth land which we will not end up owning at the end of the lease?

Mr Beale—As I understand it, all the airports continue to be Commonwealth land although they have long-term leases to other corporate identities, so this is an unusual circumstance.

Senator CARR—It is very unusual. I am just trying to think of any other example where the Commonwealth would pay for the lease. I am assuming an indexation rate or an inflation rate. How is it calculated?

Mr Beale—I do not know the details of that. I am not aware of any precisely analogous circumstance. I am sure that others exist. It is quite possible that some of our meteorological services might be provided, for example, from accommodation that we rent on airports as well. Airports, as you know, are a specific set of tenure arrangements.

Senator CARR—That is right. It is a 50-year lease, is it not?

Mr Beale—I am not an expert on Darwin Airport.

Senator CARR—The lease reverts to the Commonwealth?

Mr Beale—I would have to ask the Department of Transport.

Senator CARR—This is very unusual, I would have thought, that the building which is owned by someone else does not return to the Commonwealth at the conclusion of the lease period. What is the actual value of the building? Have you been given an estimate of that?

Dr Johnston—We have the figures.

Senator CARR—What are they?

Dr Johnston—I think they are about \$6 million.

Senator CARR—So you are saying that the value of the building is \$6 million. Let us take it on today's values, not calculating an indexation rate at all. I am told that the Commonwealth will be paying \$12 million for a \$6 million building, without indexation. I presume it will be considerable over that 20-year period, but on today's prices we are paying \$12 million for a \$6 million building. How do you explain that?

Mr Beale—We are at a loss, Senator.

Mr Butterworth—It would help us if you could explain the basis of your calculations and then we can compare those to the actual costs of the building.

Senator CARR—You told us it was a 20-year lease at \$600,000 a year. We do not have an indexation rate, do we? You have not been able to tell us what the indexation rate is.

Senator Kemp—We could use the rate that is used for Centenary House, Senator, if you like. It is a very high rate which the Labor Party imposed on the Auditor-General's Office for Centenary House. I do not know whether the officers would know what that figure is but my memory is that it was a very high figure.

Senator CROSSIN—We would be happy to have a royal commission into all of this if you like as well, Senator.

Senator Kemp—We would like a royal commission into Centenary House, Senator Crossin. Are you supporting that?

Senator CARR—Senator Kemp, you well know how many inquiries there have been into Centenary House. I am interested in the building in Darwin at the moment. Who is the lessee? Who actually developed this building for you?

Dr Johnston—Darwin International Airport.

Senator CARR—So it is the corporation itself?

Dr Johnston—Yes. It is the developer, of course, who supplies a builder to do the job.

Senator CARR—Who is the developer in this regard? Can you give me a name?

Dr Johnston—Of the builder?

Senator CARR—Yes.

Dr Johnston—Barclay Mowlem.

Senator CARR—Who will we be paying the money to?

Dr Johnston—Darwin International Airport receives the money.

Senator CARR—Who are the principals behind that—who owns the lease for that at the moment?

Dr Johnston—Who are the principals behind it?

Senator CARR—You said you were paying it to the Commonwealth. Who is the private developer that is actually a beneficiary of the Commonwealth's—

Dr Johnston—Darwin International Airport Ltd.

CHAIR—Is that a private company?

Dr Johnston—It is a private company.

Senator CARR—Who owns that lease? That is the question I asked you.

Dr Johnston—Darwin International Airport.

Senator CARR—Where does the money end up?

Mr Beale—It is a corporate entity known as Darwin International Airport. I cannot tell you who the shareholders of Darwin International Airport are.

Senator CARR—I see your point. Take this on notice, please: what is the total cost to the Commonwealth of the 20-year lease? What are your projections on the leasing of this building?

Senator Kemp—Could you give us the inflation rate in that as well.

Senator CARR—You must have a projection.

Senator Kemp—If you could also put in that the inflation rate which has been given to Centenary House—just from the point of view of comparison, Senator.

Senator CARR—My question, Dr Johnston, goes to your projection for the total cost to the Commonwealth on a 20-year lease.

Senator Kemp—Just a spot of comparison to see what the Labor Party's standards were like.

Senator CARR—Finally, I am told that there have been two other incidents this year at uranium mines in the Northern Territory—in the Alligator Rivers region. Can you refresh my memory? I understand that the government accepted in full the recommendations that arose from your June 2000 report, Dr Johnston. Is that the case?

Mr Zapantis—Those recommendations have not been implemented in full.

Senator CARR—No, not implemented, accepted by the government.

Mr Zapantis—Yes, they have been accepted.

Senator CARR—They have been accepted. In terms of the implementations, which ones have not been?

Mr Zapantis—Have not been implemented in full?

Senator CARR—Yes.

Mr Zapantis—Action has been taken on all of them and almost all of them have been implemented in full but there are a couple which are still in progress. Some of these recommendations, of course, are ongoing in nature in that they are required to be implemented over a period of time. Just bear with me while I find my notes. Do you have any in particular that you would like to—

Senator CARR—No, I want to know which ones have not been implemented.

Mr Zapantis—We recommended that the statutory environmental monitoring program be extended to enhance its capacity to provide early warning of unplanned releases of contaminants.

Senator CROSSIN—Which recommendation is that?

Mr Zapantis—It is recommendation 9 of the Supervising Scientist's report 153. There has been a lot of work on that. In fact, as we speak, the company, ERA, in consultation with ourselves, of course, is putting together a new mining management plan which is required under NT legislation. The review of the compliance monitoring program which started some time ago has been rolled into that plan, because that plan essentially will specify, after it has been approved by the NT minister, all the aspects required of ERA in relation to its operations, and that includes compliance monitoring and statutory monitoring.

Senator CARR—That is one. What about the others that have not been implemented?

Mr Zapantis—Another recommendation relates to the development of training programs for ERA staff. There has been quite a lot of activity on that front but they are still under way. In fact, they are being further revised as a direct result of the recent incident at Ranger.

Senator CARR—What number was that?

Mr Zapantis—It was recommendation 4.

Senator CARR—You say they have been revised as a result of the recent incident at Ranger. How have they been revised?

Mr Zapantis—ERA are taking a number of very significant measures to look at the full suite of environmental management on site. That includes, of course, the training of its staff. It has committed to implementing in full ISO standard 14001 which has fairly rigorous requirements in relation to training, reporting and so on, of staff. So that program has continued and, in fact, been increased as a result of the recent incident at Ranger.

Senator CARR—Mr Zapantis, what responsibility does your office take for the failure to implement these recommendations in full?

Mr Zapantis—They were recommendations that were required to be implemented by ERA.

Senator CARR—So you do not hold yourself responsible in any way for that?

Mr Zapantis—I do not consider it is my role to run the mine for ERA, no.

Senator CARR—Are they the only two that have not been implemented?

Senator Kemp—Senator, while the officer is looking I may be able to assist you. I understand that the minister went even further than the recommendations in the OSS report by requesting that the OSS put the monitoring data publicly on their web site. My understanding is that this is about to be implemented and as part of the approach to ease the interpretation of data that I think you would find very useful.

Senator CARR—Thank you.

Mr Zapantis—Senator, there is another recommendation which has not been fully implemented and that is recommendation 15. That refers to the revision of the working arrangements between the Commonwealth and the Northern Territory which basically delineate the roles of ourselves and the Northern Territory regulator in respect of supervision and regulation of these uranium mines.

Senator CARR—Why hasn't that been implemented?

Mr Zapantis—It has commenced. We have started revising those documents and initial consultations have taken place. However, recent events have diverted our attention to other things.

Senator CARR—So it is more urgent than you thought?

Dr Johnston—If I can clarify that, Senator. The reason for that recommendation was that it related to the change in the Supervising Scientist's role in, for example, monitoring and on-site inspections. Those were the principal changes which were not consistent with the previous environmental requirements which were revised in 1995.

Mr Zapantis—Previous working arrangements.

Dr Johnston—Previous working arrangements which had been revised in 1995 to specifically exclude such things as site inspections. Those things are under way and have been underway essentially since the report was completed. The part that is yet to be completed is actually getting it signed and sealed between the Commonwealth and the NT that these arrangements are agreed. So it is happening but the legal part of getting the revised arrangements is the bit that is yet to be completed.

Senator CARR—I hope you are not going yet, Senator Kemp, because I have a question to ask you directly on this matter.

Senator Kemp—It will have to wait one minute, Senator.

Senator CARR—We will wait a moment.

Senator CROSSIN—Mr Johnston, of the four scientific and technical staff who will be remaining at Jabiru, what is the length of experience of each of those people in the Alligator Rivers region?

Dr Johnston—The manager lives and currently works for Parks Australia North in Jabiru, so his experience is of several years—I cannot say. The remaining scientific staff are new to the region.

Senator CROSSIN—How new?

Dr Johnston—They have just recently been appointed. Of the six staff whose positions will remain in Jabiru only one, and that was the support staff person, has been with the organisation. The other five were recruited.

Senator CROSSIN—So what staff currently conduct mine site inspections if unusual events occur?

Dr Johnston—It is something that a person can be trained in very quickly.

Senator CROSSIN—I asked you what staff currently do that job?

Mr Zapantis—Currently I have two staff who primarily do that job and one of them has been with the Supervising Scientist organisation since about 1988-89, something in that order of magnitude.

Senator CROSSIN—After July are both of those staff being moved to Darwin?

Mr Zapantis—Those staff are currently in Darwin. Perhaps I should give a little bit of background. With the new Jabiru site manager who is in fact one of my staff and does have a significant supervisory role who will be located in Jabiru, that will be the first time ever that the Supervising Scientist organisation has had a supervisory audit inspection present in Jabiru. Prior to that we have been in Darwin and prior to that we have been in Canberra and Sydney. This has greatly increased the capacity of the supervisory inspection and audit components of the Supervising Scientist organisation to respond in an extremely quick manner to incidents as they occur.

Senator CROSSIN—You have three staff going there who have no experience as yet.

Mr Zapantis—No, that is not the case. Dr Johnston was referring to the monitoring team. They are staff who actually go out in the field, take samples and conduct our brand new routine monitoring program. As I said, inspection is currently undertaken primarily by members of staff who are located in Darwin and one of those members of staff has been a member of the organisation since 1989 and has considerable experience. The field station manager will be located in Jabiru. This is the first time we have had a supervisory presence that close to the mine site and that person has been in the region for several years—I cannot recall the exact amount of time. He has a great deal of experience in environmental issues and has relevant scientific qualifications. He also understands the local Aboriginal culture. He is very well qualified for the job.

Senator CROSSIN—So Mr Zapantis, are you trying to tell us that you are going from 25 staff down to six at Jabiru but you are trying to convince us that that will increase your capacity to be able to respond to incidents more quickly.

Mr Zapantis—Absolutely. The staff who were at Jabiru previously had a different role. The staff who were at Jabiru were research staff. They undertook research, they did not undertake inspection, monitoring or audit functions. That is the way it has been since 1978 when the Supervising Scientist first came into being. This is the first time that we have had an audit inspection oversight position actually located in Jabiru.

Senator CROSSIN—You talk about your new monitoring regime. I am assuming you are talking about the focus action limit regime that has been put in place. Is that right?

Mr Zapantis—What I am talking about is a new program of routine environmental monitoring which was initiated essentially this wet season for the first time. This resulted from recommendations that we made following the process water leak in 2000. They were accepted by the government; the government provided us with the resources to allow us to do that. So essentially what it means is that we have staff who go out into the field to relative monitoring points, take samples, have those samples analysed and review the data, rather than just relying on data collected as part of our research programs.

Senator CROSSIN—Will there be an in-house capacity remaining at Jabiru to conduct analytical chemistry tests?

Mr Zapantis—Yes. There will be some capacity. It will be of a limited nature. As Dr Johnston noted earlier, we outsource the more detailed analytical chemistry.

Senator CROSSIN—Is that moving to Darwin or is it outsourced?

Dr Johnston—It has been outsourced for a number of years. As far as I recall, I made that decision back in about 1995, say, but it is a number of years. We outsourced because it was a more efficient way of doing it.

Senator CROSSIN—So if there is an incident at Jabiru, would additional staff be required to travel there?

Mr Zapantis—Additional staff? What would most likely happen is, our field station manager would respond immediately and yes, I imagine perhaps myself but definitely my inspection staff would travel out to Darwin usually the next day to follow up. But we would have a person on site on that day, which is a capacity we have not had in the past.

Senator CROSSIN—Minister, I think you just mentioned a moment ago that monitoring data would be put on the web site. Why is it not there yet?

Dr Johnston—It is virtually ready to go. In fact, we had hoped it would be up before we came down this week having expected a question on that issue.

Senator CROSSIN—So we could expect it there by Monday then?

Dr Johnston—It is not the sort of thing one can do overnight. I inspected all of the data just last week. It is not just the data, it is the information that goes with it, the explanatory information without which the data is of little value to members of the public and the quality of that information is clearly important. It was virtually ready to go last week. However, I decided that I wanted to have a further look at it once I returned before I was satisfied that it was a quality presentation.

Senator CROSSIN—So when are you expecting it to be available?

Dr Johnston—I would guess sometime next week.

Senator CROSSIN—I am not sure how we are going for time. I am going to skip a few sections and perhaps put some questions on notice if I need to.

Senator Kemp—Very constructive of you, Senator.

Senator CROSSIN—I can come back though if we need to have more time.

Senator Kemp—We always like to have you back here, Senator.

Senator CROSSIN—Mr Zapantis, in relation to the recommendations that flowed from your report of the investigations of the tailings water leak of 2000, did you say earlier that these were not recommendations that you were obliged to implement.

Mr Zapantis—No, I said no such thing. I think the question was whether I felt I was responsible for some of these recommendations not being fully implemented and that was in the context of a particular recommendation which required action on the part of ERA. My response was along the lines that I do not consider it is my responsibility to run the mine for the mining company.

Senator CROSSIN—But is it not your statutory role to ensure that, to the best of your ability, these recommendations would be implemented?

Mr Zapantis—Yes, that would be consistent with our role.

Senator CROSSIN—So what do you do when there are instances where the mining company is not as cooperative as you would like them to be?

Mr Zapantis—What we do, and this is generally speaking, is we discuss it with the mining company. I should add that the mining company is, as a rule, very cooperative with us. We work issues through not only with the mining company but also with the Northern Land Council and with the Northern Territory regulators of course because ultimately they are responsible for regulating the mine not the OSS. It is a process of consensus and negotiation, but in the event that we were seriously concerned about the way something was being managed and in the event that the mining company was not going to do things the way we thought they should be done we, of course, have the ability through ministers to exert the Commonwealth's influence.

Dr Johnston—To clarify this, one of the questions you raised was the question of the training program. Certainly ERA would say it did implement a new training program. My comment now would be that that new program was clearly deficient; not good enough. The recent incident clearly showed the training of mine department staff in environmental issues is inadequate. I think you would have to say the training program was implemented, but our conclusion is that it has not gone far enough. It has not been successful enough.

Senator CROSSIN—When were those draft programs submitted to you?

Dr Johnston—Sometime in 2001. There were a number of discussions over a period of time. Discussions took place almost immediately after the incident at a meeting out in Jabiru on 3 August.

Senator CROSSIN—What was your assessment of the programs at the time?

Dr Johnston—They developed over time. We commented on them as being reasonable, but again I think we have to say that it is up to the mining company to see that that its internal operations are adequate. As Mr Zapantis has just said, I do not believe I should be considered to be in the position that I have to examine an ERA internal program and comment as to its adequacy. I have to ensure that the company is following up on its commitments and then judge them by their performance.

Senator CROSSIN—Dr Johnston, is one of the functions of the Supervising Scientist to develop standards, practices and procedures that will protect the environment and the people from the effects of uranium mining?

Dr Johnston—Indeed.

Senator CROSSIN—And do you not believe that that needs to be done in conjunction with the company?

Dr Johnston—Yes.

Senator CROSSIN—So if the company has training programs that perhaps at the end of the day may not lead to that outcome, do you believe that you have a role in ensuring that they lift their game or improve their programs?

Dr Johnston—If we could look at the interpretation you placed on those particular words, 'standards, practices and procedures,' I can see where you are coming from and you might say that a training program was considered a procedure. We would never have looked at it that way in the past. A procedure for the protection of the environment would have been a use of a wetland filter or something of that kind which in a management sense leads to a higher level

of protection for the environment. So we have interpreted those words in a slightly less broad way than you have just done, but I can see where you are coming from.

Senator CROSSIN—When you were given the training program by the company, did you recommend any changes?

Dr Johnston—As I recall, most of this was by discussion. I recall seeing a version which was focused on the environmental requirements and I recall saying that whilst that was an important aspect, there were other aspects that seemed to have been missed, and I identified a few of those. So we commented at that level.

Senator CROSSIN—What sort of comments did you provide to the company?

Dr Johnston—We commented to the effect that—and this was verbal by the way so it is hard to be 100 per cent certain—the sort of things that we wanted to see more emphasis were not just the legalistic environmental requirement approach. We wanted people to appreciate and understand such things as the significance that people outside the mine in the community might attach to a particular action or a particular incident, that the perception of people outside the mine might be very different from those on a mine site. We wanted there to be more emphasis on an understanding of how other people think.

Senator CROSSIN—And do you believe that you achieved it? Did they take that on board?

Dr Johnston—No. I think that the recent incident showed that we did not.

Senator CROSSIN—Were there different training programs for different groups of employees?

Dr Johnston—They do have a general induction program, but I believe their training is different within different parts of the mine.

Senator CROSSIN—Did the training program include the importance of reporting anything unusual, such as observing leaking pipes?

Dr Johnston—Yes, I believe that is part of the program. That is what I am talking about. On a mine site, a leaking pipe where there is a dribble of water going out, might not be considered by the typical miner as being of great significance. But in the environment at the Ranger mine, it can indeed be considered of great significance.

Senator CROSSIN—Is part of it also an introduction into mining in a world national park and what it should mean?

Dr Johnston—Yes, indeed.

Senator CROSSIN—So that is part of the training program?

Dr Johnston—Yes. ERA is particularly sensitive, and has become more sensitive in recent years, to the significance of its location near and surrounded by Kakadu National Park, and that is a major part of the thrust of their programs.

Senator CROSSIN—Did it also include detailed information on the new data classification systems for reporting unusual events, particularly reporting results to external stakeholders?

Dr Johnston—That issue is central to all the approaches and would be part of their program.

Senator CROSSIN—Is it part of the training program?

Dr Johnston—I would have to check the detail, but I suspect it would be.

Senator CROSSIN—When you indicated earlier in respect of the training programs that that recommendation has not been implemented—

Dr Johnston—Sorry, Senator?

Senator CROSSIN—You said recommendation 4 is yet to be implemented.

Dr Johnston—I believe I clarified what Mr Zapantis said when I said that a training program had been implemented, but my comment is that it was not adequate enough and recent experience has shown that.

Senator CROSSIN—So the training program was only run once.

Dr Johnston—No, it is ongoing.

Senator CROSSIN—It is a particular program that is run a number of times.

Dr Johnston—Yes.

Senator CROSSIN—So in your analysis what is not adequate about that training program, or do you now believe it needs revising?

Dr Johnston—One of the things that has clearly emerged is that there is inadequate training of the mine department staff in environmental issues and environmental concerns. That was clearly demonstrated by the recent incident.

Senator CROSSIN—Has there been an acknowledgment by either yourselves or the company that the training program needs revising?

Dr Johnston—If you look at the ERA report, it recognises quite clearly that it needs to tackle these issues of liaison, interdepartmental communication and so on. The report states that from now on, at every weekly meeting of the mine department there will be an environmental department officer present to advise, and that is a new step that they are taking.

Senator CROSSIN—That talks about communication inside the company, but in terms of the actual training program, while you have recognised that it needs to be revised, has the company acknowledged that it needs to be revised?

Dr Johnston—I use the word training in a slightly broader context than I think you are interpreting it. To me, training is not just sitting down in a room and having someone lecture you. I think training is part and parcel of your interaction with your fellow workers. I interpret training, for example, as involving the step that I just mentioned whereby there is going to be an environmental staff member at the weekly mine department meeting. I see that as very much part of a training program. Therefore, there has been an acknowledgment by both the company and by us that there needs to be enhanced training at the mine site.

Mr Zapantis—Following this event, within days or weeks, I cannot recall exactly the length of time, ERA commenced seminars for its staff on precisely this issue, namely the importance of environmental awareness and of keeping stakeholders informed and the like. In fact, I was on site one day when, just by a coincidence, the acting environment manager at the time was running one of these courses.

Senator CROSSIN—Have you had any direct involvement in delivering this program?

Dr Johnston—No, we have not. We have had discussions with it. We have and we have not in the sense that we have taken part in discussions and how it is developed. We have taken part in discussions with a range of ERA staff, but we have not taken part formally by standing up before staff.

Senator CROSSIN—Was input of the traditional owners or the Northern Land Council sought in this training program?

Dr Johnston—I am afraid you would have to ask ERA on that. I certainly have not.

Senator CROSSIN—When you were given the draft program, was there any evidence that there had been input from the NLC?

Mr Zapantis—The Northern Land Council, of course, are represented on the mine site technical committee and the Northern Land Council have been involved in many of the discussions and negotiations in relation to the recent incident. Certainly the issues of environmental awareness et cetera have been discussed at those meetings. So through the NLC I would have to say yes.

Senator CROSSIN—So you are telling me that the NLC had input or saw the training program?

Mr Zapantis—No, what I am saying is that the issue of ensuring that ERA staff had the correct knowledge, skills and attitudes to environmental awareness and environmental reporting was discussed by all players including the NLC.

Senator CROSSIN—My question was, did the NLC or the traditional owners have input into the training program?

Dr Johnston—I will go back to my original answer. I cannot answer that, I think we have to ask ERA.

Senator CROSSIN—The draft program that you saw, was there any evidence that they had had input into it? Were you advised that they had had any input into it?

Dr Johnston—No, I was not advised.

Senator CROSSIN—Can I just go to recommendation 16. It is in your annual report and it is the same set of recommendations. It goes to developing guidelines and clarifying requirements for reporting of incidents.

Mr Zapantis—Yes, that was done.

Senator CROSSIN—Yes, but I have a few questions about it. Is it true that the implementation or the development of the focus action limit levels for reporting to stakeholders was developed into a response into perceived problems about judging when the incidents might be of concern to traditional owners?

Dr Johnston—That was part of the rationale for introducing that system, to try and remove to as significant an extent as we could the need for individual staff members of ERA to interpret whether or not it should be or should not be of concern. That was part of the rationale.

Senator CROSSIN—Would it be reasonable to say that the same issues about problems of judgment, about reporting incidents of concern to stakeholders were just as true, say, of the Jabiluka mine?

Dr Johnston—The incidents that occurred this year of lack of reporting have certainly illustrated that there was a lack of awareness or a lack of response that should not be there. If a concentration exceeded what was called the action level, there was a requirement on the company that it should not only report that excess to the principal stakeholders, but it should also take immediate action of various kinds. On three occasions—

Senator CROSSIN—So you are saying that the focus action limit levels of reporting apply at Jabiluka and Ranger?

Dr Johnston—One has to be very careful about that as to whether one is talking in a legal framework. At Ranger, the answer to your question is yes, it is a legal requirement. It is a requirement under the environmental requirements that apply to Ranger. The environmental requirements at Jabiluka have not been revised since they were established in 1982 and we would like to see that happen. There are, however, complications in doing so. We have requested—and the Northern Territory government, the mining company, the NLC and ourselves all agree—that in principle we will be working at Jabiluka as if those same environmental requirements that apply at Ranger also apply at Jabiluka. It is not a legal requirement, but that is the practice that we are attempting to achieve.

Senator CROSSIN—Yes, it is that very loophole, is it not, that it is not a legal requirement at Jabiluka that allows you to excuse the company in this report. Is that correct, Dr Johnston?

Dr Johnston—Legally, strictly speaking, yes; and we are trying. In response to our report, the minister has requested that we attempt to change the arrangements so that the same requirements that apply at Ranger will be requirements at Jabiluka. We have discussed that issue with the Northern Territory. We believe we have a way of doing it without actually altering the original environmental requirements.

Senator CROSSIN—Why was that not a recommendation of this report?

Dr Johnston—I did not think of it. It is as simple as that.

Senator CROSSIN—And why did you not make comments that there was an intent and goodwill to apply those reporting limits at Jabiluka, despite the fact that there was no legal requirement?

Dr Johnston—I think we did say it in the report. I can find it for you in the text, but I am quite certain that we said that.

Senator CROSSIN—But at the end of the day you have made no written recommendation that the minister could look at and make a decision upon actually making it a legal requirement?

Dr Johnston—What I felt we had to address for the minister and others in this report was whether there had been, in my view, a breach of any statutory requirements. I felt that that was an essential part of the reporting process. I devoted a considerable section of this report to that issue and I looked at each of the environmental requirements and other requirements upon the company to see if, in my judgment—and it might not be a court's judgement—they had been breached. My conclusion was that they had not been and that is what I said.

Senator CROSSIN—So what is now being done to bring to the minister's attention that it would be highly desirable to have those reporting levels in the regulations at Jabiluka?

Dr Johnston—We have had extensive discussions with the minister as a result of this report. You may have noticed that, in his media release following this report, the minister specifically said that he had asked me to go ahead and see if there is a mechanism by which we could formally require the company to do these things. That is what I was referring to a moment ago. It says—

Senator CROSSIN—I will come back to that in a moment.. Did you never recommend through the mine site technical committee that the environmental requirements for Jabiluka should be revised to include those action levels for reporting?

Dr Johnston—That issue has been the subject of discussion for many years. The environmental requirements at Jabiluka, unlike those at Ranger, are attached to the mineral lease approval issued by the Northern Territory while at Ranger they are attached to the authority under the Commonwealth Atomic Energy Act. There is a very distinct difference in the way in which they apply. I am no expert in this region, but the legal advice is that it would be best at the moment not to attempt to revise the conditions of the lease. So we are trying to find an alternative way which achieves the same outcome without changing the conditions of the lease.

Senator CROSSIN—Given the recent delay in reporting of the elevated levels at Jabiluka and your subsequent investigation, do you not believe this needs to be pursued vigorously?

Dr Johnston—It is being pursued vigorously.

Senator CROSSIN—Through which mechanism?

Dr Johnston—Mr Zapantis has been discussing the issue with his counterpart in the Northern Territory. The initial discussions, I understand, were productive and we now go about the process of achieving the outcome. These things, as always in terms of legal changes, do take a little time, but we expect a positive outcome.

Senator ALLISON—Could I go back a couple of steps and ask about the budgetary implications of Rio Tinto's decision to not proceed with the mine for at least 10 years.

Dr Johnston—Sorry, the budgetary impact on whom?

Senator ALLISON—On the Office of the Supervising Scientist.

Dr Johnston—I see no budgetary implications for that.

Senator ALLISON—It must mean your period of supervision is extended by at least a decade. Surely there are budgetary implications.

Dr Johnston—In that sense, yes, but the annual budget of the Supervising Scientist I do not see changing significantly. If the Jabiluka mine were to proceed then indeed I would expect that the life of the Supervising Scientist organisation would be extended.

Senator ALLISON—What are the implications of that?

Dr Johnston—Without attempting to predict the future, if our budget were maintained at current levels, for the Jabiluka mine, depending on prices and so on—one would expect it has a life of 20 years—\$8 million a year times 20 would be the budgetary implication in the long term.

Senator ALLISON—If after 10 years Rio Tinto decided not to proceed, is there some way for the government to recoup the cost of 10 years supervision prior to rehabilitation?

Dr Johnston—The current arrangement for funding is one in which there is a recognition that, to some extent at least, the mining companies should be responsible for a contribution to the cost of the Supervising Scientist. That particular agreement was reached in 1995. There had been a previous mechanism prior to that, a uranium levy under the Customs Tariff Act, and that was revised in 1995. Since 1995 until now there has been an agreement in place whereby ERA contributes towards the cost of running the research program of the Supervising Scientist and the contribution was approximately one-third of that cost. Last year the department negotiated an increase in that figure to take into account the additional responsibilities that we now have with respect to the new monitoring program and the implementation of the recommendations arising from the independent science panel's

assessment. During the current financial year there has been an additional sum which has been paid by ERA to the department.

Senator ALLISON—That brings up the percentage that is paid for by ERA to what?

Dr Johnston—When I said ‘30 per cent’ I was excluding, I should say, the departmental overheads component. I was referring to the Supervising Scientist’s allocation. If one sticks to that definition, it would be approximately half.

Senator ALLISON—So this commercial decision made by ERA has cost the Commonwealth 50 per cent of the annual running costs of OSS for a further 10 years? Is that a reasonable—

Dr Johnston—That would depend on what the government decides to do in the future in terms of the negotiations with ERA.

Senator ALLISON—I ask the minister: do you think that is a reasonable position for ERA to take, to simply extend the life of this half mine for a further 10 years without the government at this point in time, when the decision was made, negotiating the arrangements so that the Commonwealth does not find itself having greater expenditure than it previously thought?

Dr Johnston—If I could assist the minister.

Senator Kemp—Yes, I think that would be very good, actually; I would welcome that.

Dr Johnston—Because the Ranger mine, on current plans, will continue to operate for at least a further seven to nine years, say, of milling and completion of its rehabilitation would not be scheduled until about 2014 or 2015, I expect that the Supervising Scientist Division will continue to operate until that time.

Senator ALLISON—But whichever way you look at it, Dr Johnston, the minimum 10-year decision pushes out your role, whichever end of the process it is—it does not seem to me to matter much when it is. The question is whether, at the point that that decision was made, the government said, ‘Just a minute, this has a cost implication for the Commonwealth.’

Dr Johnston—As I understand it, no such discussion was entered into. But the decision of ERA not to proceed with the full development of Jabiluka whilst there was a full mine operating at Ranger was one which it made in 1999 in response to a request from the World Heritage Committee, and the Australian Government was very much involved in those discussions. So it was not a decision that was made by the company at that time on a purely commercial basis; it was made in response to concerns of the World Heritage Committee. There have of course subsequently been issues such as the price of uranium and whether or not it would be economic to develop, but that decision was not made within the context of an economic decision.

Senator ALLISON—Did the decision to extend a further 10 years in itself involve discussions or reviews of the management of the site? I presume that there are some scientific and environmental issues associated with leaving that site in its current arrangement for another decade. Is there a document which describes a new approach to that situation?

Dr Johnston—There have been extensive discussions on that issue. This was an issue, for example, that was raised with me when the independent science panel visited us in July and August 2000. They were particularly interested in the fact that the site as it currently stands had actually been designed in terms of its water management, for example, for one year. The decision to delay the development of Jabiluka means that one has to look at the issue of whether that is an appropriate water management system for 10 years. We responded that

there is ongoing assessment of those water management issues on an annual and six-monthly basis but that we considered it appropriate, considering issues such as when any operation is in the care of maintenance basis there is likely to be deterioration over time, and we advised the ISP that we believed it would be appropriate to have a full review of the whole site every four or five years. The independent science panel made a specific recommendation that we carry out such an overall or overarching review every five years at least, and we have agreed to do that.

Senator ALLISON—You have agreed to do that?

Dr Johnston—Yes; that was a commitment by the government in response.

Senator ALLISON—And when does the first review begin?

Dr Johnston—A full water management review is going on right now and at the end of the day that will be almost a review of the whole system. That is happening right now. We expect to have a report on that during the current dry season, which will have consequences for the water management system which is implemented during the next wet season, and hopefully a strategy for the development of a water management system over the next 10 years. So that aspect of it is being dealt with right now. We have not waited the five years for that.

Senator ALLISON—Can you indicate whether the use of the decline for storing water on site is going to be a part of that review and your likely recommendations with regard to its regular use for that purpose?

Dr Johnston—Yes, the possibility of the decline being used will certainly be one of the issues, but there are a whole range of them. If water is stored in the decline, it picks up some uranium from the ore at the bottom of the decline, and that subsequently gets pumped to the surface and into the water management ponds. So clearly we would prefer, as would the mining company, that that not be part of the system. When you look at the strategy over a number of years, it may be that in the first year it may still be part of the contingency processes, but we do not know yet. Yes, it will be considered as an issue.

Senator ALLISON—Are there any other mines that can be used to understand the science of this process and whether, say, the first couple of years of storing water down the decline attracts a lot of uranium into the water but then in subsequent years it does not? Are there any precedents to this kind of practice?

Dr Johnston—We have not looked at precedents of that kind. It is not that complicated a problem. It arises mainly because we have a mine which is in a stand-by mode, environmental maintenance mode, rather than an operational mine. There would not be too many mines, I would guess, where this occurs.

Senator ALLISON—At what point over the next couple of decades do you foresee the Australian government saying to Rio Tinto, ‘This delay is long enough; we think it is time to rehabilitate the site and you must make up your mind whether you want to mine here or not’? Perhaps that is a question for the minister, I am not sure.

Dr Johnston—There is a timing element, and some of it is for the government. The original lease was for 42 years, and that was from 1982. So there is a limit, and a couple of decades was the time scale you mentioned.

Senator ALLISON—Does that mean that 2006 is the limit on the lease?

Dr Johnston—No, 42 years.

Senator ALLISON—So it is 42 from 1986.

Dr Johnston—It is 2024—something like that. All I am saying is that there is a time limit by which rehabilitation will be required. Is there a possibility of extension of that lease?

Mr Zapantis—I think there is, but that would be a matter for the Northern Territory government.

Senator ALLISON—We should not hold our breath then. I refer to the answers to my question No. 192 in March this year. The first question was with regard to the IUCN's recommendation that the Alligator Rivers Region Technical Committee should formally have appointed to it a non-government organisation. In the answer the ARRTC indicated that that would not significantly enhance the standing of the committee. The government is currently reviewing that recommendation of the ARRTC. Can you, firstly, explain where we are at with the consideration of that resolution and, secondly, what was the reason behind that argument?

Dr Johnston—The recommendation of the IUCN was referred to the Australian government by the World Heritage Committee with the request that, in considering that recommendation, the question be referred to the chair of the technical committee so that advice could be given to the minister. The technical committee did assess that. Its members' views, particularly the views of the independent members, I imagine would be interesting. It was not averse in principle to the concept of an NGO representative. However, it was not supportive of the particular proposal put to it by the Gundjehmi Aboriginal Corporation and supported by the Environment Centre of the NT, but it was not averse in principle. That advice has been given to the minister, and the minister is about to make a decision on—

Senator ALLISON—That does not explain why. Would you expand on why it would not significantly enhance the standing? That is my question.

Dr Johnston—All right. I was trying to avoid it—

Senator ALLISON—That was pretty obvious.

Dr Johnston—The particular person who was proposed gave a presentation to the committee and the committee was unimpressed by that individual. That was the meaning of the terminology.

Senator ALLISON—Wouldn't the most appropriate process then be that it be indicated that that individual was not seen to be useful but that perhaps somebody else be put forward? I think the recommendation of UNESCO was not that a particular individual be put there but that a non-government organisation representative be.

Dr Johnston—You are right. There was another issue discussed by the committee, and that was that the recommendation from the IUCN was simply a bold statement of fact: it preferred representation by a member of the NGO community. The IUCN statement said that was because it believed that such an appointment would enhance the standing of the committee.

Senator ALLISON—That would sound reasonable to most people.

Dr Johnston—Yes. I am not expressing my view; I am telling you what the independent members of the committee said.

Senator ALLISON—It seems that their decision was based on an individual. My question is: if it were an individual, why not choose another?

Dr Johnston—As I said a moment ago, they said three things: firstly, that in principle they had no fundamental objection to having an NGO representative; secondly, that they believed the individual before them would not enhance the committee; and, thirdly, that they did not see a case from the IUCN for why such an appointment would enhance the standing of the committee.

Senator ALLISON—They have not made the case, it seems to me, as to why this or another individual would not enhance the standing. There seems to be a bit of a stalemate that is not being supported much by way of good argument.

Dr Johnston—Let us put it this way: I cannot reveal, of course, what I said to the minister, but the minister has been given advice and is considering that right now and I expect you will see an answer very soon.

Proceedings suspended from 11.03 a.m. to 11.19 a.m.

CHAIR—We do not have a minister present, but are you happy to continue?

Ms Tinney—I am, yes.

Senator ALLISON—I would like Dr Johnston to go back to that question of the non-government nominee to the Alligator Rivers Region Technical Committee. I have been given some advice about the qualifications of that individual and I wonder if you can, on the basis of that advice, be a bit more expansive as to why that individual was seen to be inappropriate. I think the word you used was ‘unimpressed’.

Dr Johnston—My preference, if possible, would be not to deal with comments made by others—not me—about an individual.

Senator ALLISON—I am not asking you to comment on personalities or anything else. Can you indicate in a general sense where the problem lies? Is it to do with qualifications, for instance?

Dr Johnston—No, the international standing in the community, I suppose.

Senator ALLISON—Sorry?

Dr Johnston—International standing as a scientist was an issue, I suspect.

Senator ALLISON—The fact that this person has an international standing?

Dr Johnston—The individual does not have an international standing.

Senator ALLISON—Has not?

Dr Johnston—Yes.

Senator ALLISON—Was it a recommendation of UNESCO that there be someone with an international standing?

Dr Johnston—No, but it is a scientific and technical committee. The members did not wish to have an NGO rep who did not have an equivalent scientific standard to them. They were concerned about issues such as whether or not it was likely that the individual would politicise the proceedings of what is a scientific and technical committee.

Senator ALLISON—What would be the minimum qualifications for such a person?

Dr Johnston—Normally, if one is looking for the equivalent to the independent scientist on the committee—if that is the standing you were looking for—it would be a PhD. The committee would be more concerned with the experience and publication record of the individual. I would rather not talk in terms of whether an individual has a particular degree.

Senator Kemp—Senator, this is a matter for judgment, but as it involves an individual—and clearly these are issues which are sensitive to that person—I urge you to be somewhat cautious about that. We are not trying to protect anybody but the person is not in a position to—

Senator ALLISON—You would understand, Minister, that the early response was simply that that committee was unimpressed by this individual. From that I assumed that the person did not have appropriate qualifications. So it is reasonable for us to tease out this question: what is the benchmark or the hurdle to be jumped to impress that committee? I think that is reasonable.

Senator Kemp—It is your call and there are no standing orders against your doing this. We are discussing, in a public forum, an individual who does not have the chance to put his views. Because of that, and because it is an employment matter, I do not think it is appropriate to canvass it here. You may have a different call but I urge caution. I think we have to be careful of people outside this chamber.

Senator ALLISON—Dr Johnston said that the committee was unimpressed, so I think we have a starting point here and we need to clarify some aspects of that opinion.

Senator Kemp—Senator, it is entirely your call but I urge you not to cause undue pain and distress to people.

Senator ALLISON—Indeed. I think there is probably more undue pain and stress in that committee being seen to be unimpressed by an individual. So I will put on the record my understanding: this particular individual has a Bachelor of Environmental Engineering with first class honours; a Doctor of Philosophy—a PhD, which you said was necessary—and membership of the International Association of Hydrologists. He has won awards for the Institute of Engineers Australia at RMIT University, has published two dozen scientific papers and research reports and has detailed experience and knowledge of uranium mining issues, especially the Alligator River region. So again I ask you: what is missing in what seems to be a very impressive list of experience and qualifications?

Dr Johnston—All I am willing to say is that the issue was considered by the seven independent scientists on the committee. They exercised a judgment, and I passed on that judgment to the minister. I am not prepared to go any further.

Senator TCHEN—I think you can give a critical assessment of that person's qualifications from the point of view of the committee.

CHAIR—I think Dr Johnston is saying it is a sensitive matter and he is not prepared to go beyond what he said. I think we should respect Dr Johnston's judgment in this matter.

Senator TCHEN—My point is that Dr Johnston's obvious concern about the individual's wellbeing might be misconstrued as trying to hide something. So if the committee has made a critical assessment of the candidate's qualifications or supposed qualifications, I think it should be put on record.

CHAIR—There may be other factors of a personal or other nature which Dr Johnston feels are not appropriate to make comment about in public. That may affect his future job prospects.

Senator ALLISON—But if I can make the point, since we are making points here—

Dr Johnston—I am also conscious of the fact that I have tried to say several times that I am not talking about my view of the individual, my judgment of his qualifications or my judgment of his experience but about the judgment of those things by the other seven independent members. I do not believe that I am in a position to tell you in the detail that you have requested what those seven independent members think. That is partly the reason for my response.

CHAIR—I think that is understood.

Senator ALLISON—If I can make another point: this individual is a representative of non-government organisations and not a person who has applied for a position. It is not a job as such; it is a response to the recommendation of UNESCO. We are not talking about a job application. It is a question of whether the bar has been set too high or whether it is appropriate for this committee to make a judgment about levels of qualification and experience when this is, after all, an NGO representative.

Dr Johnston—Were the minister to decide that he wished to have an NGO representative on the committee, he would wish to see a process put in place for the selection of such a person rather than simply accept a recommendation by a specific important group—the local traditional owners—and the environment centre. There could well be a process put in place, but that decision is yet to be made. I do not think that the individual who happened to be proposed need be the only one.

Senator ALLISON—That is a question for process; I agree. It is a pity that the process was not sorted out prior to the recommendation being made that an additional member from conservation non-government organisations would not significantly enhance the standing of the committee. That is the statement that has been made and that is what I am challenging. Now we are caught up in questions of the process of recommending such a person.

Dr Johnston—If I can address the process issue. The process that was selected was recommended by the World Heritage Committee and it was that advice be sought from ARRTC on the issue of whether or not an NGO representative should be on the committee. The reason it went beyond that broad issue to the issue of a specific individual was that the committee agreed at its meeting to hear a presentation from the representatives of the local traditional owners at that meeting and those representatives chose, as part of that presentation, to make a specific recommendation about a specific individual. It was not we who distorted the process; it was the fact that that specific recommendation was made at the committee by the Gundjehmi Aboriginal Corporation. We had not sought that input.

Senator ALLISON—Then I think the answer to my question on notice needs to be revisited because that is not really the impression that is given by this answer.

Dr Johnston—I am sorry, I would need to clarify what you mean by a ‘question on notice.’

Senator ALLISON—I will not delay this process any further on this issue, but I will ask the minister to look back at the answer to my question No. 192, section 1 and, in the light of what you have said today, perhaps come back with a further answer about subsequent processes that are in place. Also in the answer to that question it was said—in answer to a question about the decision by the Northern Territory government to approve irrigating water on areas around the Jabiluka mineral lease—in paragraph 2 of item 3:

The verified extremely low levels of uranium and other constituents detected in Swift Creek downstream of the Jabiluka mine and detected in Magela Creek downstream of Ranger mine did not pose any risk to the environment or to human health. This has been confirmed by the Supervising Scientist and agreed to by the Northern Land Council and the Gundjehmi Aboriginal Corporation ...

I am not sure whether you can answer this question, Dr Johnston, but it goes on to say:

Clearly, the approval was successful in ensuring that the environment and human health remained protected.

My question is: on what basis do you suggest that this practice does not pose any risk to human health in terms of confirmation by Gundjehmi? What was that confirmation?

Dr Johnston—This is with respect to the recent report on the stockpile incident at Ranger and the reporting at Jabiluka?

Senator ALLISON—No, it is not Ranger; it is Jabiluka.

Dr Johnston—It is the timing that I am trying to clarify with respect to the issues. We have had recent discussions about the incidents that were referred to earlier—the Jabiluka reporting—at a meeting with the Gundjehmi Aboriginal Corporation and also with the minister. But I think you must be referring to an earlier one with respect to irrigation at Jabiluka, and we would have to check on that particular issue what the discussions were with the Gundjehmi Aboriginal Corporation that led to that statement. I cannot tell you right now what that meeting was about, whereas the recent meeting is clear in my mind.

Senator ALLISON—I put it to you that the comments, as I have read them, would not lead you to that conclusion, and that the Gundjehmi have been misrepresented by the Office of the Supervising Scientist and the government with regard to that question of whether human health in particular has been at risk from the practice of irrigation of contaminated water.

Dr Johnston—I do not believe they have been misrepresented. The concentrations of uranium downstream from Jabiluka in Swift Creek are extremely low.

Senator ALLISON—That was not the question that I put. I wonder if you could check the records and give the committee a full account of exactly the comments that were made by the Gundjehmi, on which you base this claim that, ‘clearly, the approval was successful in ensuring that the environment and human health remained protected.’ That is the question.

Dr Johnston—I will check that.

Senator ALLISON—On 11 April this year, water coming from Ranger was measured at 13,875 parts per billion in Corridor Creek, which is some 700 times the Australian drinking water standard. Dr Johnston, you ordered water to be kept on site so that the source of that high level of contamination could be found. Was the source found?

Dr Johnston—Could I clarify that, first of all? I will come to your question immediately. You said that a concentration of nearly 14,000 parts per billion was found in Corridor Creek. Let me clarify. Those concentrations were in water running off the low-grade ore stockpile before it enters the wetlands filter system which subsequently feeds into Corridor Creek. Concentrations of that magnitude were not found in Corridor Creek; they were found in run-off from the ore stockpile.

Senator ALLISON—But that run-off goes into Corridor Creek; is that correct?

Dr Johnston—Yes, after it goes through a wetlands filter which removes the uranium. By the time it entered Corridor Creek proper, it was down around 13 parts per billion. That is to be compared with a drinking water standard of 20 parts per billion.

Senator ALLISON—So we can assume that the wetlands have absorbed that uranium?

Dr Johnston—Yes, they have.

Senator ALLISON—By the way, do we test those wetlands for build-up?

Dr Johnston—The uranium will build up over time. That will be a rehabilitation issue that has to be assessed.

Senator ALLISON—Are they tested and monitored regularly?

Dr Johnston—Yes. They come under the monitoring program in those. Over time, they will measure concentrations in the sediments and the plants and assess whether or not there is need to rehabilitate the wetland.

Senator ALLISON—Let us come back to the question of the source: it was found and it was the ore body; is that what you are saying?

Dr Johnston—I now will go on to your question. You are correct: that concentration was found at that location, at the very end of last wet season. When it was brought to our attention, I asked the mining company—by the way, I am not in a position to instruct them, as I think your comment implied—to cease water delivery from that point to the wetlands system, which diverted to the retention pond 2 system; and the company complied. We then entered a phase of trying to establish what the cause of those concentrations was. We are not yet in a position to say what the origin of those concentrations was. What I have said will be my position—as opposed to the Northern Territory’s position, which is yet to be looked at—is that if, before next wet season, the origin of those concentrations is not properly understood in a manner that would give us assurance that it would not reoccur in the future then they will not be allowed to release water from those low stockpile areas through the wetlands to the Magela.

Senator ALLISON—Recently, Geoffery Kyle alleged that the spill back in December 1997 was never cleaned up, and leached out into a pond. Can you comment on that allegation?

Dr Johnston—Mr Kyle made a number of allegations in a report which he submitted to me and others. We have been undergoing an extensive investigation of all those allegations, and the report on that is not yet complete. It is a very extensive process of trying to establish what actually happened in 1997 and 1998. It has involved us in a very extensive program of investigating not only our own files but all of ERA’s files relevant to these issues and any information we can obtain from the regulator, and of interviews with staff from ERA, Mr Kyle himself and staff of ERA who have since left. It has been a very extensive process and we have not yet completed it. For that reason—

Senator ALLISON—Who is actually conducting that process?

Dr Johnston—Mr Zapantis in the OSS, and his staff. But my position would be that we have not yet completed our investigation, and I would prefer not to comment there on any specific allegation at this stage.

Senator ALLISON—When will the report be completed?

Dr Johnston—Before the end of June, I hope.

Senator ALLISON—And it is a report to the government? It will not be a public report?

Dr Johnston—I will be giving that report to the minister and he will have to make a decision as to whether or not it is published, but I imagine it will be.

Senator ALLISON—Whether it goes on the web site or not. In January this year, 2,000 parts per billion were detected in Corridor Creek, which led you—for the Hansard record; Mr Zapantis is shaking his head to indicate this is not correct. Perhaps you would like to correct me?

Dr Johnston—It is the same clarification as I gave you a moment ago about the 13,000 parts per billion. It is not Corridor Creek. The location of the sampling point is immediately as the water leaves the ore stockpile before it enters the wetland filtration system, before it enters Corridor Creek.

Senator ALLISON—I see. I want to quote from a document that I have lost for a minute.

Dr Johnston—Senator, do you have the report in front of you?

Senator ALLISON—No, I have an extract of it. It is one of your reports; perhaps you will recognise it when I give you the quote. It says:

...the failure of ERA to have adequate systems in place to ensure the implementation of environmental management plans and the examination and interpretation of data obtained in monitoring programs, rather than any failure to have such plans and programs in place.

Can you explain the distinction between the failure to put in place management plans and the failure to have plans and programs in place? It seems to me to be a bit contradictory.

Dr Johnston—If I can use the stockpile incident as an example, the plan for the management of that stockpile was extensively researched and extensively discussed and assessed prior to any approval being given for the implementation of the plan. The plan was adjusted and so on as a result of those discussions between the mining company, the Northern Territory regulator, the OSS and the Northern Land Council. As a result of that process, a very carefully developed plan was set in place and approved by the Northern Territory minister for the management of that stockpile during the subsequent wet season. So the plan was a well thought out one and all of the construction activities associated with its implementation were implemented and checked by my staff, by the Northern Territory. What then happened was that the mines department of ERA was apparently unaware of the environmental rationale behind the plan.

Senator ALLISON—This is the Northern Territory Mines Department?

Dr Johnston—No. Sorry, the mine department of ERA's Ranger Operation. That mine department was apparently unaware of the commitments made by the ERA environment department and the rationale behind them and subsequently, by its actions, completely contravened the plan by dumping material where the plan said it should not be. So the distinction I was drawing was one can go to great lengths and planning and put wonderful plans in place, but unless you have the processes in the mine and the staff who know what they are doing then all that planning will be useless. And that is what has happened.

Senator ALLISON—So what was the penalty in that incident?

Dr Johnston—Penalty? In the legal sense, none.

Senator CROSSIN—Dr Johnston, did you make the company aware of the environmental impact or concerns in that new regime?

Dr Johnston—In the entire assessment process? Very much so!

Senator CROSSIN—Did you believe it was the responsibility of the Office of the Supervising Scientist to make the company aware of any environmental impacts?

Dr Johnston—The company's senior management in the environment department were very well aware and the reason for them putting forward the plan, and having done the research that led up to that plan, was because the company was well aware that if they did not manage that stockpile properly there could be, in principle, consequences off-site. So the company was well aware, that is in the environment department, but it was quite clear that the mines department within the company was either unaware or paid no attention to the environmental aspects of the plan.

Senator ALLISON—To go back to the question of penalties, are you saying that there is no fine that can be implemented?

Dr Johnston—No, there can be penalties. There are two sets of requirements on the company: some arise from Northern Territory legislation under which the mine is regulated, and they are for the Northern Territory governments to assess; others are much broader, and they are the Commonwealth environmental requirements. In the first case, the Northern Territory legislation allows for the prosecution of a mine operator for a specific contravention of its authorisation and also allows for subsequent potential fines in the courts. In the case of the Commonwealth it is a much broader weapon; the only penalty available would be if the minister for resources refused to issue an export licence. So there is a very distinct difference.

Senator ALLISON—Did you discuss with the appropriate Northern Territory department the opportunity for them to impose a penalty?

Dr Johnston—Yes, we had extensive discussions with the Northern Territory on that issue.

Senator ALLISON—Did you suggest that a penalty be imposed?

Dr Johnston—No, we asked them to assess the issue of whether or not the company had been in contravention of its authorisation such that a prosecution would be justified. The Northern Territory government's response to that was that its assessment was that were they to mount a prosecution it would fail on the grounds that there had been no detectable off-site environmental impact. For that reason they concluded that there had been no contravention.

Senator ALLISON—So anything can leave the site as long as someone says there is no impact, including the traditional owners. If you can manage to extract some sort of remark from them that can be used in that way then there is no—

Dr Johnston—No, it has nothing to do with that. The issue of whether or not there has been an environmental impact is assessed on scientific and technical grounds. The issue of whether or not the traditional owners accept that assessment is another issue.

Senator ALLISON—But surely, Dr Johnston, regardless of whether it has a final impact on the environment, if the mine operators are required to keep radiation levels at a particular level—I presume they are—then surely that is the key, not whether or not we can demonstrate absolutely that the environment has been damaged.

Dr Johnston—The mining company has to operate in a manner that complies with the standards set for it by the Northern Territory.

Senator ALLISON—Don't those standards talk about the level of radioactive material in what leaves the site?

Dr Johnston—They refer to the protection of the off-site environment, and the levels have to meet specific standards before the water leaves the mining lease and enters Kakadu National Park. All of those standards were complied with throughout the entire period.

Senator ALLISON—Is it possible to see the advice that you were given by the Northern Territory with regard to taking further action against ERA?

Dr Johnston—No, that was verbal, and the record of it is in the report that I presented to the minister.

Mr Zapantis—It is on page 15 of our report.

Dr Johnston—When I say it was verbal, we also sent to the Northern Territory a draft copy of these two paragraphs and asked, 'Is our understanding of what you have said correct?'. So in that sense it has been confirmed.

Senator ALLISON—Understood.

Mr Zapantis—To clarify that, we did not actually send it to them; I discussed it with them on the phone. I did not send them the text.

Senator ALLISON—On this issue of the incorrect placement of the stockpiled ore, you said in that report that there was no delay in reporting, explaining that ERA was aware of the higher than expected uranium concentrations in January and early February but, according to your report, ERA did not interpret the data correctly and that the correct interpretation did not take place until 23-26 February. Is the incorrect interpretation the reason you claim that there was no delay when, in fact, there was a very significant delay in reporting?

Dr Johnston—In a sense, yes, but what we have to look at is whether the actions taken by the mining company and its employees were reasonable and proper, given the sequence of events. What happened was that staff of the environment department were indeed aware of these higher concentrations and looked for possible explanations. There was an obvious explanation and that was that there had been very recent works carried out very close to the sampling point which could have given rise, for a short period thereafter, to enhanced concentrations. So they interpreted the observations that way. Interestingly enough, the—

Senator ALLISON—Why didn't they approach your office and say: 'We're having trouble with this. This is what we have found initially, but we are not sure about it. This is the work we're doing to try and clarify the situation.' Why didn't that take place?

Dr Johnston—The first thing they would ask themselves would be, 'Is this of environmental significance and, while we investigate it, do we need to report it?'

Senator ALLISON—Dr Johnston, I imagine they would ask themselves: 'Should the Office of the Supervising Scientist be informed of this possible anomalous but, nonetheless, very significant finding?'

Dr Johnston—I would suggest that not everything that occurs on the mine site should be reported to the Supervising Scientist. A question of judgment has to be exercised. They had come up with what was a reasonable explanation and they thought that, in those circumstances—and they knew by simple calculation—the off-site impact would be very low. So it was not something which they thought was evidence that something had gone wrong with the management of that ore stockpile.

Senator ALLISON—So the next time there is a major problem—another leak, another very high level detected—why wouldn't ERA simply incorrectly interpret that data or go off on some tangent, trying to discover if it was an anomaly and why it wasn't and then, again, have your blessing on the delay in reporting?

Dr Johnston—The missing link was probably the lack of passing on the information to senior management in the environment department. The staff were aware of the observations—they had come up with an interpretation—but that information was not passed to the environment manager. I think if it had gone to the environment manager he would have been much more aware and may well have raised it with us. That is one of the issues we have addressed in the report: how we overcome those communication problems. To me it was astonishing that those sort of concentrations were not passed on to the environment manager.

Senator CROSSIN—But doesn't this go to the very heart of why we are repeatedly getting these problems out there at Kakadu? As you would be aware, section 16 of the environmental requirements actually specify that—and I am puzzled as to why you think that the company acted in some sort of proper manner and you continue to believe that—the company must directly and immediately notify the supervising authority of any mine related event which results in either significant risk, has the potential to harm people or which is of,

or could cause, concern to indigenous people or the broader public. Isn't the very problem that the mine and the company actually make a decision themselves about what they will or will not report instead of complying directly with section 16 and notifying you directly and immediately of any of those incidences?

Dr Johnston—I can answer your question, but it may take a moment or two. I refer back to an issue that was raised by one of you earlier as to the reason for the introduction of the focus levels, the action levels and limits for Magela Creek. The reason for that introduction, as we discussed earlier, was to give a set of criteria against which a decision could be made on whether or not something should be considered of significance rather than leaving it up to the individuals.

When those concentrations are observed on the mine site, a simple calculation will show, even if you have no absorption processes at all, that the concentration at the monitoring point downstream from the mine would be less than the focus or the action level. That is where judgment is exercised. The data are there; you can work out whether it should be of concern because that is the agreement that has been reached. So it is not an arbitrary issue; it is one that you can work out. It is interesting—we made this point in our report—that the same data were being looked at by the Northern Territory Department of Business, Industry and Resource Development staff. They came to precisely the same conclusion as the mining company, through the same logic. It was more than likely that the local disturbances had taken place recently at that point and they had immediately made their assessment of what would be the consequences of off-site impact. The need for reporting of that is quite clear, but according to 16.1 it was not a reportable incident.

Senator Kemp—I can add a comment on the general issue that has been raised about the company's performance. I am advised that the minister has made it clear to the company that its performance has not been good enough and that ERA needs to lift its game. This applies also, of course, to its general environmental performance. I want to make it clear to the senator, in light of her question, that we certainly are not saying that its environmental performance was acceptable.

Senator CROSSIN—Following on from that, Dr Johnston, the action levels were reached at Jabiluka.

Dr Johnston—They were in Jabiluka but we are talking about Ranger right now. All this discussion has been about Ranger. I am happy to talk about Jabiluka as a separate issue. But at no time was the action level even approached.

Senator CROSSIN—But your report covered the incidences at both mines.

Dr Johnston—Indeed—I am quite happy to talk about that—but on this issue at Ranger the action level was not exceeded.

Senator CARR—In regard to the 2000 Ranger incident, you published an external report after your investigation; is that the case?

Dr Johnston—Yes.

Senator CARR—Why wasn't the investigation of the last two incidences handled in exactly the same way, with a report being published which included specific recommendations?

Dr Johnston—We could have gone down that track and we still could. It was a much more significant issue, I believed, than the recent one. It required a much more extensive investigation and it involved tailings water rather than run-off from a mill stockpile. There

were a number of reasons the political and public sensitivity of the issue was so high that it was reported externally.

Senator CARR—What were the political sensitivities?

Dr Johnston—At that time, people's concerns over this incident were very high in the country at large.

Senator CARR—So you think that affected the way in which you reported it?

Dr Johnston—No. It was a question of whether it would be published—we still may. It is a public document even though it is unpublished. If you want, we can publish it.

Senator CARR—The minister put out a press release on 23 April. Did that reflect your findings?

Dr Johnston—Yes, indeed.

Senator CROSSIN—You suggested to me earlier that the minister's press release commented on the fact that the three trigger action levels should be made regulatory for Jabiluka.

Dr Johnston—Yes.

Senator CROSSIN—Can you point me to where in the press release that is the case?

Dr Johnston—On the second page it says:

I have also asked the Supervising Scientist to work with the Northern Territory regulators to tighten the enforceability of environment protection protocols.

Senator CROSSIN—In that, are we meant to read 'at Jabiluka'? It does not specifically say that but that is the inferred understanding; is it?

Dr Johnston—That is what was meant by it.

Senator CROSSIN—So there is an inference in the minister's press release that it relates to Jabiluka.

Mr Zapantis—The minister was very explicit when he spoke to us on the matter.

Senator CROSSIN—But it does not actually specify that in the press release.

Dr Johnston—No, I agree it is not drafted well enough.

Senator CARR—Do you still think that the press release covered your findings?

Dr Johnston—Yes, it did. In fact, that one goes further than our findings. That was the point I was discussing earlier. The minister, in his conclusions about this incident, believed that, in addition to supporting the recommendations of the report, there were two additional issues that needed to be addressed. One was to address this issue of ensuring the maximum transparency and availability of the data and therefore the publication of the information on our web site. Secondly, he was concerned about the fact that these environmental requirements, whilst applying at Ranger, did not apply at Jabiluka in a legal sense. Perhaps, in drafting it for him, we did not make it sufficiently clear. But that is what that refers to.

Senator CROSSIN—Dr Johnston, is it true that the company's own report to you actually admitted, in relation to the stockpiling aspect, that they could not implement the recommendation of your 2002 report?

Dr Johnston—No. I have heard that comment made several times. Page 18 of the report does make a statement—

Senator CROSSIN—Is there not a statement on page 3 of the report, in the last paragraph?

Dr Johnston—It may be summarising it as well.

Mr Zapantis—I can clarify that for you. Page 3 of the report, and going over the page to page 4, reads as follows:

ERA commits to the full implementation of the recommendations of the Supervising Scientist from the 'leak' incident in 2000 and continues to improve environmental performance at Ranger. Specific commitments include a re-organisation of the Environment Department, the participation of senior Environment Department representatives in weekly Mine Planning meetings, and an overhaul of the environmental monitoring systems. Although significant progress has been made, full compliance with the recommendations cannot be achieved with current ERA resources. Consequently, the Company has committed to contract an appropriate external specialist to review existing environmental management and communications systems within the Ranger operations and to design and implement more effective process management systems.

What the company are saying is that, in order to implement these recommendations, they need to bring in additional resources, and that is what they have committed to do.

Dr Johnston—They were referring there to internal resources at the time, but they accept that they have to do it, so they have to spend the money to bring someone in from the outside to do it.

Senator CARR—Given the findings that you made over the 2000 Ranger incident, were you surprised that the minister did not prosecute ERA in regard to the 2000 incident?

Dr Johnston—My report recommended that the minister consider what action should be taken. I came to no conclusion as to whether or not he should.

Senator CARR—Did you not establish in your report that a breach of the approval had occurred?

Dr Johnston—Yes. The conclusion I drew was that a breach of the environmental requirements had occurred and—

Senator CARR—You now have a view of the judgment with some hindsight. You have had further incidents in regard to Ranger. Are you able to tell us now whether or not you think the prosecution should have occurred?

Dr Johnston—I do not believe it is my role to recommend or come to a view as to whether or not a prosecution is necessary. My role is to advise the minister on whether or not there has been an environmental impact or whether or not there has been a breach of the environmental requirements. I did that.

Senator CARR—Have you been advised as to why the minister has chosen not to prosecute?

Senator Kemp—These are really matters for the minister involved. If you wish to make a comment, I do not resist that at all, but these are matters for the minister's consideration. If he wants to add any more information—

Senator CARR—I have asked Dr Johnston a straight question. Were you advised as to why the minister has chosen not to prosecute?

Senator Kemp—Mr Chairman, I was answering a question before Senator Carr again proceeded to interrupt. I plan to finish that question.

CHAIR—Please do.

Senator Kemp—This is a matter for the minister. If the minister wants to add anything more, he will do so. I will bring your question to his attention. I simply do not think that it is now appropriate, in the light of your subsequent comment, for Dr Johnston to add to his earlier remarks.

Senator CARR—Dr Johnston, are you saying that you refuse to answer the question?

Dr Johnston—No, the minister has said—

Senator Kemp—The questions go through me, Senator Carr. You do not seem to understand the procedure at the moment. While I am at the table, the questions go through me and I then decide who should answer. I am making the point to you—

CHAIR—The minister is saying it is a matter of ministerial responsibility for answers.

Senator Kemp—While I am at the table, that is how it operates.

Senator CARR—Dr Johnston, have you been advised by the minister?

Dr Johnston—May I clarify something?

Senator Kemp—Of course.

Dr Johnston—The minister we are discussing in this instance is not the Minister for the Environment and Heritage but the Minister for Industry, Tourism and Resources.

Senator CARR—Have you been advised by the minister?

Dr Johnston—The minister made at the time a public statement on that issue. He did not advise me.

Senator CARR—What was the reason given?

Dr Johnston—As far as I recall it was that, in circumstances where there had been no environmental impact, he did not believe it would be justifiable to proceed with any prosecution.

Senator CARR—What impact on that decision do you think the public agreement by ERA to ISO14001 compliance had?

Dr Johnston—The recommendations of Senator Minchin, who was the minister for resources at that time—and he made this comment in his tabling statement for my report—were that progress be made towards achieving ISO14001 and that the audit system be consistent with ISO14001. That has been the view of the Supervising Scientist and the Northern Land Council since then in all negotiations with the Northern Territory and the mining companies.

Senator CARR—Given the significance of compliance with that provision, is it also the case that ERA only agreed to that provision in March this year?

Dr Johnston—It agreed previously to having an environmental management system which was compliant with ISO14001. It was reluctant to proceed to the full certification. In other words, there are two steps.

Senator CARR—Is it now prepared—

Dr Johnston—Now it is going to proceed to full certification.

Senator CARR—How long will it take to fully comply?

Dr Johnston—The program was 12 months to achieve compliance and three years to achieve full certification.

Senator CARR—When will those be achieved?

Dr Johnston—Compliance will be in July 2003 and certification will be in July 2005.

Senator CARR—You have to admit that the decision not to prosecute was made well before any of these commitments were made.

Dr Johnston—Yes.

Senator CARR—What conclusion do you think would be reasonable to draw from that?

Dr Johnston—I do not think it is appropriate for me to draw conclusions.

Senator CROSSIN—Based on the number of recent incidences, do you believe that the existing penalty regime is having an impact on the environmental performance of the mine?

Dr Johnston—I do not propose to comment on the penalty regime—

Senator CROSSIN—Do you believe the penalty regime is inadequate?

Dr Johnston—I do not believe I should comment on the appropriateness of a penalty regime. I think my job is to ensure that, on behalf to Commonwealth, the environment is protected to the standards demanded by the Australian government and the Australian community. That has occurred consistently and completely throughout the period of operation of the Ranger mine. The evidence is there. But as far as penalty regimes are concerned, I do not believe they are my remit.

Senator CROSSIN—What progress is being made towards ISO14001 compliance?

Mr Zapantis—In recent times, since the incident, ERA have undertaken a gap analysis. The requirement of ISO14001 is that an environmental management system be in place—processes, procedures, documentation and that sort of thing. They already have extensive processes, procedures and documentation, so step 1 is to have a look at what they have now, compare that with the requirements of ISO14001, identify the gaps and then develop a plan to fill those gaps. I also understand from ERA that they plan to bring on consultants in the near future to implement the changes required to bring their environmental management system up to the level required for ISO14001 certification.

Senator CROSSIN—Is there a checklist for implementing this regime, so that items that are planned for inspection are ticked off?

Mr Zapantis—It is a very extensive regime. The ISO14001 standard has a great number of requirements that need to be met, and there will be a checklist but also there will be something a lot more substantial than that in terms of ensuring that they have the necessary processes and protocols in place to meet them.

Senator CROSSIN—On 5 April, in an interview on the ABC, Mr Weston said this about the company:

We'll have a very rigorous documentation in place and as an example of how I would see it working is that say for a field inspection or monitoring there would be ... some form of documentation as to the time and any observations that were taken for that time and that would be fully documented and assessed at a later time to ensure that there are no gaps in the system.

What reassurance can your office offer either the public or stakeholders that the environment will be protected in this interim period?

Dr Johnston—I think the past record is a good enough demonstration. There have been 20 years of extensive biological, chemical and radiological monitoring of the performance of that mine, and all of the data has demonstrated that, despite having the sorts of incidents that you would expect at any industrial operation—and those happen at Ranger—the environmental protection systems that are in place cope with them. The most recent incident is an example of

that. The plan at the mine did not proceed in the proper manner—and we all acknowledge that—but in this case the wetland filter systems in place worked.

Senator CROSSIN—Can you provide me with a copy of the 2000 agreement between the Commonwealth and the Northern Territory governments?

Dr Johnston—Yes.

Senator CROSSIN—Your report on this year's two incidents refers to the routine periodic inspections carried out by OSS and others. Has there ever been any thought given to having, besides periodic inspections, incident based inspections? For example, inspections 24 hours after a large rainfall. What moves are there to combine periodic inspections with incident based inspections?

Mr Zapantis—What do you mean by an 'incident'?

Senator CROSSIN—I am thinking of perhaps three days of unprecedented downfall that you might not necessarily get in the wet season, for example.

Dr Johnston—I think the answer to that is probably no.

Mr Zapantis—That is correct. We have not considered altering our routine periodic inspection regime to take into account extremely heavy rainfall events. But, having said that, if there were a particularly significant event which in our view could cause difficulties for the water management system on site then we would go out and have a look. But that would be separate from the routine periodic inspection program; it would be a specific visit to look at a specific issue.

Senator CROSSIN—Your report also states that during the January inspection you looked at specific drainage works from the grade 2 stockpile but that you did not inspect the top of the stockpile because you were advised that it was inactive. Is that correct?

Mr Zapantis—That is correct.

Senator CROSSIN—Who advised you that it was inactive?

Mr Zapantis—The ERA staff who were present with my staff at the time.

Senator CROSSIN—So the company advised you it was inactive?

Mr Zapantis—Yes. We were advised by a member of the ERA environment department, who escorted our staff around on the day.

Senator CROSSIN—How effective then are your inspections if you are taking the word of the company as to what is happening there?

Mr Zapantis—That is a fair point to raise. Perhaps I should give you a bit of context. The development of the stockpile and its management were done in a stage process. The first stage was to treat the surface of the stockpile so that it was compacted—that is, rainfall would fall on it and run off without much infiltration. On a previous visit to the site, a member of my staff saw that in progress. The next RPI, which occurred in January—I forget the exact date—focused on the next stage of that entire management process, which was the construction of the drainage structures which take the run-off from the top of the stockpile and divert it down through the wetland filter system. There are very significant issues there which also need to be addressed. So, having already seen the top of the stockpile on a previous visit and having been advised by the ERA staff member present at the time that it was inactive and not having any reason to believe that it would be anything other than inactive, our inspection focused on those matters which were in progress at the time.

Senator CROSSIN—How often do you rely on the company to provide you with advice about inspections you ought to be undertaking?

Mr Zapantis—Whenever we visit the site we look at issues which are of particular importance. The site is quite large, as you would know, and you cannot be everywhere at once all the time. So the routine periodic inspections focus on issues which have particular relevance at the time. From time to time yes, that means that the company tells us things and we believe them.

Senator CROSSIN—And should you continue to do so given this incident?

Mr Zapantis—What we should do is ensure that our inspection regime is able to pick up any issues which could be of environmental significance, and we should pick up on issues which relate to legal compliance matters, but at the end of the day you have to believe what the company tells you in some respects. As I said, no regulator can inspect every part of every operation that it regulates on a regular basis. You have to do a risk assessment; you have to focus your activities on what is important in terms of achieving the objectives which you desire. In our case, that is the protection of the environment downstream from Kakadu.

Senator CROSSIN—Finally, is compacting and capping the stockpile an integrated part of the water management system?

Mr Zapantis—It is part of the water management system, yes.

Senator CROSSIN—And in that instance you did not check that; you let the company check it?

Mr Zapantis—It was checked. As I said previously, we checked that they had in fact compacted the surface of the stockpile, but that was prior to the incorrect dumping commencing. We did not check again.

Senator CROSSIN—So as a result of that incident in January, are you actually revising your own inspection regimes and how you go about that?

Mr Zapantis—We have recognised the need to ensure that the inspection regime is vigilant. Having said that, the inspection regime did not fail in achieving the objective, which was to ensure that the environment downstream was protected. As I said, there were other important things going on in the drainage works which needed to be corrected, and those inspections ensured that that work was done correctly. So we did not actually pick up, via that inspection, that material had been incorrectly dumped in the service of that stockpile, but that did not prevent the system from ensuring that the downstream environment had been protected.

Senator CROSSIN—But you did rely on the advice of the company at the time?

Mr Zapantis—I come back to what I said previously. You cannot be everywhere at once and you have to focus your activities on what is most important.

Senator CROSSIN—Do you think that will make it harder, with most of your staff moving to Darwin and only six being left in Jabiru after July?

Mr Zapantis—My staff have always been in Darwin. Prior to being in Darwin they have been in either Sydney or Canberra. Now that I will have a member of staff in Jabiru, our capacity to inspect and respond quickly is actually enhanced; it is greater than it has ever been before in 20 years of the existence of the organisation.

Senator CROSSIN—Will it make it more difficult for OSS in general, with not just your area but with a significant number of people moving from Jabiru into Darwin and only six being left there?

Dr Johnston—To clarify: there are two branches in the Supervising Scientist Division; one is the OSS and ERISS is the other one.

Senator CROSSIN—I understand that.

Dr Johnston—ERISS—that is the research institute—is what is in Jabiru right now. All of the OSS staff are currently in Darwin. Mr Zapantis has advised you—as I did earlier—that in the new arrangements he will have a member of staff doing supervisory work in Jabiru, which is an enhancement. In fact, he has commenced duties recently.

Senator CROSSIN—Thank you.

Senator Kemp—I think Dr Johnston would like to add to a matter that was raised earlier and then, in response to Senator Carr, I understand we do have information on some rents. Perhaps firstly, Dr Johnston?

Dr Johnston—I just wanted to clarify Senator Carr's question about the departmental overheads and why they had increased for the uranium activities. In fact, the total corporate overheads for my division—that is both programs—only changed from \$2.5 million to \$2.7 million over 2001, 2002 and 2003. Then what happens is we redistribute those within our internal programs: the uranium mining and wetlands. The fact that the wetlands program is decreasing in size and the uranium program went up meant that corporate overheads for uranium apparently went up.

Senator CARR—Where was the \$1.7 million from in the previous year?

Dr Johnston—In 2000-01 the total corporate overheads—excluding revenue—were \$2.5 million, of which \$1.7 million was attributed to uranium mining and \$0.8 million attributed to wetlands.

Mr Butterworth—I have the figures for you on the Darwin building. The area is 2,400 square metres; the lease cost is \$253 per square metre; and the escalation factor is 3.5 per cent for the first 10 years, subject to review.

Senator CARR—3.5 per cent?

Mr Butterworth—Yes.

Senator CARR—I see. I have calculated that at three per cent over the 20 years and the figure I get is \$16 million as the cost. Is this compound interest?

Mr Butterworth—The escalation clause is the increase in the lease cost year on year over the term of the 10 years.

Senator CARR—So over the period of the 20 years of the lease arrangement the cost to the Commonwealth is probably closer to \$16½ million or \$17 million?

Mr Butterworth—I would have to do those calculations that you have done to confirm that.

Senator CARR—I worked it out on a three per cent rate, and by the end of the 20-year period what is now \$600,000 a year will be costing the Commonwealth over \$1 million a year.

Senator Kemp—I think that we would have to look very closely at those figures. I do not know whether you include in those figures things like depreciation and the cost of capital; there may be quite a few other elements to come into that.

Senator CARR—But we do not own the building; it is a lease.

Senator Kemp—Yes.

Senator CARR—Depreciation has got nothing to do with the Commonwealth, surely? We are not paying depreciation as well, are we?

Mr Butterworth—No, but if you were attempting to make a comparison between the cost to the Commonwealth of owning a building versus leasing a building you would have to take those components into account.

Senator Kemp—I think your model is not entirely accurate, but it is the sort of model that we will apply to the Audit Office and the rent for Centenary House, Senator, and that should also produce some rather intriguing figures. We will look at your figures, pull them to pieces and show how fallacious they are and we will inform you in due course.

Senator CARR—Mr Butterworth, can you confirm that over a period of 20 years the lease payments will be in excess of \$16 million for a building which is currently valued at something like \$6 million?

Dr Johnston—We will give you a precise figure later.

Senator Kemp—Senator, we will go through exactly this model you are talking about. I do not think the comparisons are entirely valid, for a variety of reasons. I do not know who has produced these figures or if these are your own brilliant creation, but because we like to be helpful we will go through them and look at them.

Senator CARR—Mr Butterworth, in the answer to the question, would you please indicate—

Senator Kemp—I had not finished, Senator, so you will wait until I have finished. We will go through them and then provide you with an answer.

Senator CARR—Mr Butterworth, if you could take this on notice, I would like information as to the annual increase in the lease payments for the 20 years of the proposed lease.

Mr Butterworth—We can certainly do that for the first 10 years, but the escalation clause beyond 10 years is something that will be subject to negotiation.

Senator CARR—I worked it out at three, not 3½, so you will do it accurately for me at 3½, which will give me a higher figure than what I have given you. As I read it, the escalation clause, as it works on a compound effect, will be well in excess of \$16 million over the 20 years of the building. What happens to the building at the end of the 20 years? Do we bulldoze it or what? What is the proposal?

Mr Butterworth—That will be the responsibility of the building owner.

Senator Kemp—I am not sure we need to pursue this; we will look into it. I have always regarded it as a bit strange that the Labor Party would raise the issue of leases, given the sensitivities of the Labor Party escutcheon on this particular matter. We shall have a look at it.

Senator CARR—We will put the rest of the questions to the scientists on notice.

Senator ALLISON—I will put one question on notice. Going back to your comments before about the lack of impact of various spills and the like on the environment, can you indicate what sort of biological testing you rely on to form that conclusion?

Dr Johnston—Very briefly, we make a range of measurements. There are creek side measurements that look at tests on fish and snails—

Senator ALLISON—Can you give us a schedule of those tests: when they were taken and what the results were?

Dr Johnston—Yes.

Senator ALLISON—In particular, I would like the date of the tests in relation to the stockpile problem.

Dr Johnston—Yes. It is in that report.

Senator ALLISON—The dates are not in there.

Mr Zapantis—Yes, they are.

Senator ALLISON—That dates of the snail tests, for instance, are not in there.

Mr Zapantis—Yes, they are.

Dr Johnston—It shows in the report, figure 6, that the tests were conducted between 4 February 2002 and 25 February 2002.

Senator ALLISON—Correct, but it does not indicate the dates. It says that it occurs between two periods of time that are far apart—December to March is not exactly precise.

Dr Johnston—But the tests last for a week each. That is the point. It is not a chemical measurement where you go and take a sample.

Senator ALLISON—There are five weeks between December and March. Can you indicate the weeks that we are talking about? They could all have been done in December for all I know.

Dr Johnston—We will take it on notice.

CHAIR—I thank the Office of the Supervising Scientist. I call the Antarctic Division.

Senator CARR—Are the meteorology people still here?

CHAIR—They are but the Antarctic Division have requested that they come early because they have to catch a flight.

Senator CARR—So you have reorganised the program, have you?

CHAIR—We have discussed it, Senator Carr, with various people.

Senator CARR—I am sorry, I did not realise—

CHAIR—You are not a full member of the committee.

Senator CARR—That is fine. You do not have to tell me. I will just sit here and wait for you to bring them on. I do not care.

CHAIR—I did ask you if you had questions.

Senator CARR—I changed my mind, given the extraordinary interference we have had from this minister.

Senator Kemp—Very sensitive, Senator.

CHAIR—That has nothing to do with the Bureau of Meteorology or the Antarctic Division. We will deal with the Antarctic Division.

[12.27 p.m.]

Australian Antarctic Division

Senator CARR—Dr Press, I note in the PBS there is a fall in the revenue from other sources for the Antarctic Division. It falls from nearly \$10 million to a little over \$1.5 million across all the four outputs, including understanding the global climate system—an area that I understand you have nominated as a key research area as well as other research programs. Can you explain to us why it is that the revenue has fallen by that level?

Dr Press—Revenue from other sources has decreased by approximately \$8 million due to assets with a written down value of \$8 million being recognised for the first time in 2001-02. That is why they appeared on the books in this financial year and our revenue from other sources appears to have decreased.

Senator CARR—I see, it is only an appearance. So it has no impact on the research programs?

Dr Press—No.

Senator CARR—Do you expect the revenue in the out years to increase?

Dr Press—Our revenue from the government has increased this year and—

Senator CARR—I understand that. Do you expect the revenue from other resources to increase?

Dr Press—No, I think our revenue from other sources will remain fairly static unless we bring other assets on stream that have not been accounted for.

CHAIR—That was a very quick appearance. I hope you make it to your aircraft. Thank you for appearing.

[12.29 p.m.]

Bureau of Meteorology

CHAIR—Welcome, Dr Zillman.

Senator CARR—I have a very short question. I understand that you have a redevelopment on the Darwin Airport site as well. Do you have a new building up there?

Dr Zillman—At Darwin Airport, there is a new meteorological office servicing the airport. An observing office was completed last year.

Senator CARR—How much did that cost?

Dr Zillman—I cannot give you the exact figure. It was of the order of \$2.2 million.

Senator CARR—How was that funded?

Dr Zillman—It was funded from the bureau's asset replacement funding.

Senator CARR—So it is directly funded. You did not lease it?

Dr Zillman—No, it is not leased.

Senator CARR—We are not in hock for 20 years for it, are we?

Dr Zillman—No.

Senator Kemp—Like the Audit Office!

Senator CARR—So you own the asset?

Dr Zillman—Yes.

Senator CARR—So this is a building that is adjacent to the facilities provided to the chief scientist; is that correct?

Dr Zillman—I cannot say for sure. It is on the edge of the airport.

Senator CARR—But it is very close to you. It is interesting to have such a different approach to capital acquisition within the one portfolio.

Dr Zillman—A key point is that our operations are directly related to the activities of the airport both the defence and the—

Senator CARR—But the Commonwealth is paying for this building directly?

Dr Zillman—Yes.

Senator CARR—It is a capital project. You got \$1.2 million to build it. That is the end of it. You do not pay rent on it for the next 20 years and it is an asset that the Commonwealth owns.

Dr Zillman—Correct.

Senator CARR—That essentially is the difference. So there are no additional costs to the Commonwealth? It is not like buying a building worth \$6 million and paying \$16 million or \$17 million for it, is it?

Dr Zillman—Of course, there are ongoing maintenance costs.

Senator CARR—But they are not extensive, are they? Nothing like the \$17 million for a \$6 million building across the road that the Commonwealth has managed to get itself into. Thank you.

CHAIR—That was a quick appearance. Thank you.

Senator Kemp—The quicker the better, Senator Carr, so keep them coming.

[12.33 p.m.]

National Oceans Office

CHAIR—I welcome the officers to the table.

Senator CARR—I am told that you have a new office in Darwin? The department is doing a lot of infrastructure work in Darwin.

Senator Kemp—I think Trish Crossin would appreciate that. I know that you and I would prefer the offices to be in Melbourne.

Senator CARR—Since you are waxing on about this, Minister, how much has the department spent on the building? How much funding has been allocated for the building in Darwin?

Ms Sakell—Perhaps I could put that into context. The National Oceans Office is in Hobart, and part of our charter is to do regional marine plans across Australia. The second marine plan will be in the northern region, which means that a lot of our time we will be working in Northern Australia. Obviously, there is a lot of distance between Hobart and Darwin, so we are looking at the possibility of having a—

Senator CARR—I can understand the value of having a building in Darwin; I want to know how much it is costing.

Ms Sakell—We have not developed the cost. We are looking at having an office space within the NARU building, and we are negotiating that at the moment. So I imagine that it would be an office and a couple of computers. We have not worked out the cost.

Senator CARR—Perhaps you can explain this to me: does the budget allocate \$9.1 million of additional money for the National Oceans Office?

Ms Sakell—Part of the government's commitment to oceans policy was \$30 million over three years, so we have \$9 million for this year to implement regional marine planning and oceans policy. So that \$9 million is for a whole range of—

Senator CARR—How much is the new office in Darwin costing?

Ms Sakell—It is actually not a new office. What we want is just a room and a desk for people to be able to go to—

Senator CARR—I see. So it is a tiny facility, is it?

Ms Sakell—It is just an office space for people who are there in Darwin when they are working, because obviously you cannot get between Hobart and Darwin in a day.

Senator CARR—So you are renting a room, are you?

Ms Sakell—We expect so, yes. We are investigating at the moment.

Senator CARR—Tell me this: was the \$9 million in the budget this year allocated in the out years?

Ms Sakell—The funding for the National Oceans Office is for the last three years and is subject to a review which we will be conducting this year.

Senator CARR—You said that there is \$30 million extra. Where do I find that in the budget?

Ms Sakell—No, I said that the Oceans Office received \$30 million when the government launched its oceans policy in 1998. The office has been established in Hobart for about two years, so it is very new; and implementation of the program is in its third year.

Senator CARR—So no additional moneys are provided to the office in the out years?

Ms Sakell—The government's commitment is to investigate future funding based on a review which we will be conducting this year.

Senator CARR—So you do not know how much you are going to get next year.

Ms Sakell—That is correct.

Senator CARR—Is there any uncertainty in the organisation about that?

Ms Sakell—I do not think so. Regional marine planning on this scale has never been attempted like this anywhere in the world before, so it is very developmental. The review of oceans policy is clearly articulated in the policy which was launched in 1998. So we will have to see what the future brings.

Senator CARR—So you have developed the first of these new plans?

Ms Sakell—We are in the middle of that. As I said, the office has been operational for about 18 months. Each regional marine plan is expected to take about three years. We have just completed all the assessments for the south-east regional marine plan, and in the next six months we will be developing the options for that. We do not expect that plan to be finished until April 2003.

Senator CARR—Will you require a new office once this plan is established?

Ms Sakell—It is a national program and I imagine the office will continue to be based in Hobart, but obviously we will be travelling all around Australia.

Senator CARR—For every plan that gets developed, do you need a new office?

Ms Sakell—I do not think we will need a new office; what we will need is a base from which people can work.

Senator CARR—So you need an office space?

Ms Sakell—Yes, that is probably better.

Senator CARR—Where do you expect that office space to be?

Ms Sakell—We will have to see where the third plan is going to be, and that has not been determined yet.

Senator CARR—As with the money, you do not know where you are going to accommodated either?

Ms Sakell—We are pretty clear about what we are doing over the next 12 months. We have a lot to achieve, so we are keeping our eye on—

Senator CARR—You would want to be, wouldn't you, because you would not know what you were doing after that?

Senator Kemp—I think that question has been answered, Senator, and answered very well, I might say.

Senator CARR—The plan was originally that there would be matching funding from the states, wouldn't there?

Ms Sakell—Not to my knowledge. Certainly there was an endeavour to have a national program to which the states signed on, and you are probably aware that they did not.

Senator CARR—They did not sign onto it?

Ms Sakell—No, they did not.

Senator CARR—Why didn't they sign on to it?

Ms Sakell—I am not really sure, but I can say that over the past 12 months there has been considerable progress made with the states in relation to their working with us, and so on three particular levels we have the states involved in working with us on the Natural Resources Ministerial Council to develop integrated oceans management principles. All the states have agreed to that project, which is currently under way.

The Northern Territory's Chief Minister, Clare Martin, and Queensland's Premier Beattie have responded positively to Minister Kemp's letter about joining with us to do a scoping plan in the northern region, which is the first time the states have agreed to do something cooperatively with us. We are in the process of negotiating that with them at the moment.

Senator CARR—How many more plans do you anticipate?

Ms Sakell—Australia's exclusive economic zone is divided into about 13 of what are called large marine domains. We expect to do regional marine planning for the whole of the EEZ, which will be about nine regional marine plans.

Senator CARR—What do you anticipate the funding requirements to complete those plans will be?

Ms Sakell—Because it is so developmental we are really working that out as we speak, but we anticipate that approximately \$7 million to \$9 million would be a reasonable amount of money to do a regional marine plan.

Senator CARR—For each one?

Ms Sakell—Potentially, but we are beginning to understand that you can make efficiencies as time goes by, and in fact it might be possible to bring that price down as the years go by and our research gets better. What you need to understand is that scientific understanding of the marine environment is really last frontier science and so we are developing a very new scientific program in doing this.

Senator CARR—How much do you anticipate the states will be asked to put into each of these plans?

Ms Sakell—We have not given that any consideration.

Senator CARR—None at all?

Ms Sakell—No, we have not.

Senator CARR—Will the states be required to contribute to the current plans?

Ms Sakell—I do not expect so for the south-east region. The south-east region has been done without state involvement in a formal sense. They have certainly helped us with technical information and they have been involved in a consultative working group, but we are to negotiate the options over the next six months and they are going to do that with us.

Senator CARR—Can you take the following question on notice: can you give me an indication of the priorities have been set for the completion of the remaining nine plans and the time periods for the completion of those plans?

Ms Sakell—Okay.

Senator McLUCAS—Can you tell me the relationship between your office and the Great Barrier Reef Marine Park Authority?

Ms Sakell—The National Oceans Office is an executive agency, which means we are a separate government department under the Environment and Heritage portfolio. I report directly to a board, of which Minister Kemp is the chair, so there is no formal link between us and the Great Barrier Reef Marine Park Authority other than that we are in the same portfolio. They have been doing planning in their particular jurisdiction so obviously there is a relationship between us in relation to our scientific endeavour, but institutionally we are separate.

Senator McLUCAS—Are you telling me there is a sharing of resources?

Ms Sakell—No.

Senator McLUCAS—I mean a sharing of information and understanding.

Ms Sakell—We work with lots of scientific organisations, including CSIRO, the Australian Institute of Marine Science, universities and museums, and the Great Barrier Reef Marine Park Authority obviously has information on marine management. Scientific endeavour is a very big part of our project and there are lots of people who have a huge understanding of marine science issues on which we draw.

[12.44 p.m.]

Great Barrier Reef Marine Park Authority

CHAIR—I welcome the officers of the Great Barrier Reef Marine Park Authority.

Senator CARR—Last time I raised a question of concern about the shale oil project. I asked you some questions in regard to the World Heritage area and the discussions that had been held with the relevant company about the releasing of company exploration leases in the World Heritage area. The department indicated that the last time discussions had occurred was in 1999. Is that still your view, Mr Beale? Is it the case that the last discussions in regard to the World Heritage area leases for which the company currently has prospecting or development rights—

Mr Beale—Can I ask Mr Early, the head of the legislation division, to answer that?

Senator CARR—Yes. Mr Early was here last time.

Mr Early—The answer to the question on notice is still current. We have not had any discussions with the company in relation to those matters since we answered the question.

Senator CARR—I also asked you about the environmental impact of the proposals for the shale oil deposits stage 2 project. Are you able to update us on that matter?

Mr Early—There is no update to make. I can update you, Senator, but essentially nothing has happened since we wrote to the company and sought new information. I think we gave you a copy of that letter after the last Senate estimates. The company has yet to respond to that letter.

Senator CARR—I ask you not to go away, Mr Early, because there are some matters that I want to follow through here, but I ask GBRMPA if they might be able to assist us. Do you have any problems about the impact of potential future mining activities on the marine park of additional SPP leases? This is Southern Pacific Petroleum, the people who currently control the leases.

Mr Manson—No, I do not think we have any direct concern on that. Matters will be dealt with through the planning processes that Mr Early—

Senator CARR—And you have not expressed any concerns?

Mr Manson—About the leases being in existence?

Senator CARR—Yes.

Mr Manson—As I understand it, the leases have been in existence for some time. That is not something that we can—

Senator CARR—I am particularly concerned about the proposals of the company in terms of its development of the shale oil deposits at stage 2. Are any matters of concern to you in that regard?

Mr Manson—I understand that one of the main reasons for the request for additional information in the stage 2 proposals was to ensure that matters of concern about potential environmental harm to the Great Barrier Reef needed to be more fully covered by the proposals being put forward.

Senator CARR—What are those concerns? Do you share those concerns?

Mr Manson—We have put those concerns to EA, through the process.

Senator CARR—What are those concerns?

Mr Manson—I do not have that particular list of concerns with me, but my understanding is that they related to—

Senator CARR—Mr Early, I think you might have to assist the authority here. Mr Manson, I am surprised that—these issues being so topical and being matters that are directly before the committee—you are not better equipped for them.

Mr Early—Senator, the issues were fully spelt out in the letter which I sent to the company on 8 February. It was a letter which was just over a page, and there was a four-page attachment setting out in some detail our concerns and our requirements for additional information.

Senator CARR—Can you table that letter?

Mr Early—It has already been provided. Rather than summarise it—it is four pages—

Senator CARR—If it has been tabled, can I ask the committee secretary to give us a copy? We will get a photocopy of that and come back to it. Was that 8 April this year?

Mr Early—It was 8 February.

Senator CARR—Have there been any discussions with the company since that time?

Mr Early—No, we have been waiting for their response.

Senator CARR—What is the level of Commonwealth assistance to this project? Have we got any indication of the total amount that the Commonwealth has provided?

Mr Early—You would have to ask the industry.

Mr Beale—That is a matter for the industry portfolio.

Senator CARR—You do not have that information here?

Mr Beale—No. There was a press release, as I recall.

Senator CARR—I am told that the Commonwealth has provided support to the tune of \$36 million. Is that right?

Mr Beale—I run the risk of misleading you if I agree or disagree.

Senator CARR—Has the Commonwealth provided any financial assistance to the company either through direct grants or by way of taxation?

Mr Beale—Accepting that this is not my department, my understanding is that for stage 1 there was a long-standing excise exemption for naphtha produced by this process that predated the company's existence. I believe there was an announcement in recent weeks of an alternative system of providing direct support in place of that; I am not sure. It might be better if we were to get a press release for you. But it is not a matter that is directly related to us.

Senator CARR—If you could that would be helpful. I would like to get hold of this letter—

Senator Kemp—I think these questions could be better directed to the relevant department.

Senator CARR—I am very pleased that you think that, but I want to continue—

Senator Kemp—I will finish first. Those questions should, I believe, go to the relevant department; they should not be put to this estimates committee. We will try to assist but I urge you to put them to the relevant department.

Senator CARR—During the last round of estimates I asked, in question 210, what the current timetable was for the consideration of this stage 2 development. You indicated that essentially the minister would be writing on 8 February, and we now have that letter, and that the timing of the provision for additional information is at the discretion of the proponent. Have you had any indication from the company as to when it will provide you with the additional information that you have sought?

Mr Early—No.

Senator CARR—I also asked you whether the minister considered that these two reports had adequately addressed the issue of dioxin pollution generated by the proposed second stage of the Stuart Project report and you said no. Why is that?

Mr Early—That is what is explained in the letter. That is one of the reasons why, if you go to the attachment, you will see that dioxins is one of the issues that is raised.

Senator CARR—Can you tell me whether or not you have had any advice from any other agencies within the Commonwealth as to support for this particular project?

Mr Early—I am not sure I understand. In terms of the assessment there may well have been some comments through the public consultation process, but I am not aware of anything directly from other departments supporting this project. We are going through the assessment process at the moment, as you know.

Senator CARR—Has the Australian Greenhouse Office provided you with any advice?

Mr Early—The Australian Greenhouse Office has provided advice, and that is also reflected in the additional information we sought from the company.

Senator CARR—I see. Has the Australian Greenhouse Office supported the proposal?

Mr Early—As I said, the Australian Greenhouse Office has asked for additional information, which is reflected in the request we made to the company.

Senator CARR—On the present basis, is it true that the Australian Greenhouse Office does not support the proposal?

Mr Beale—Mr Early is not from the Australian Greenhouse Office. The Australian Greenhouse Office will appear before you later on. I am not sure that it is our position to support or not support proposals, as distinct from ensuring that we provide very clear advice to government what the potential environmental outcomes of project might be. To get that, we need some further advice from the company, which Mr Early has sought in that letter that has not been replied to yet.

Senator CARR—Thank you, Mr Beale, but I am asking you a question as to whether or not the department has received advice from agencies within the department in regard to this project and, in particular, whether or not that agency has advised you—and I understand Mr Early is managing this project from the departmental side—that they do not support the submission from the company on this matter.

Mr Early—We have sought advice from all areas of the department, and I do not think it would be likely at this stage that any areas of the department would say whether or not they support the project.

Senator CARR—I want you to check this very carefully, Mr Early. I have asked a specific question: have you received advice that they do not support the submission?

Mr Beale—I do not quite understand what submission you are referring to.

Mr Early—In terms of EIS, Senator—

CHAIR—Would you like Mr Beale to have that query answered, Mr Early?

Mr Beale—The company has made a submission, has provided a draft EIS under the EPIP Act. That EIS was circulated to all of the relevant agencies within the department. Those agencies have replied to Mr Early and, clearly, a number of them drew attention to matters on which they wanted further information. That, in turn, has been reflected in Mr Early's letter to the company. Does that answer the question?

Senator CARR—No, it does not. I asked you a specific question about whether or not the Australian Greenhouse Office has indicated to you that it does not support the submission.

Mr Beale—I come back to saying: what submission? The submission from the company is the submission of its draft environment impact assessment. They have provided comments that you could say do not support that draft, to the extent that there are questions and uncertainties that they want addressed. Those have been sent to the company.

Senator CARR—I am sorry, Mr Beale, I am not making myself clear. I will ask you again: have you received advice from the Australian Greenhouse Office that the Australian Greenhouse Office does not support the submission, as the proposal has not been able to demonstrate that the environmental impacts from the proposed plant are at acceptable levels?

Mr Early—I would have to take that on notice, Senator, because I cannot recall precisely the words used in the reply from the Australian Greenhouse Office. Given that the letter I sent out was in February, we would have gone out some time before that.

Senator CARR—Is it the case that the project's emissions intensities, as indicated by the company, would indicate 70 kilograms of carbon per barrel of naphtha when the industry average for traditional refining is between 12 and 20 kilograms of carbon per barrel?

Mr Early—I would have to take that on notice, Senator. I do not have the absolute detail of the proposal.

Senator CARR—Is your expert advice that, at 70 kilograms of carbon per barrel, shale oil is more greenhouse intensive than any other fossil fuel produced in Australia, including brown coal, and is three to six times more greenhouse intensive than traditional refining?

Mr Early—I would have to take that on notice, Senator. I do not have the EIS in front of me and nor do I have the advice that we got from the Australian Greenhouse Office.

Senator CARR—Can you advise the committee as to whether or not you have been told by your expert within the department that:

The project will lead to significant greenhouse emissions overall. At current levels of performance, total emissions for Stage 2 are estimated to be around the equivalent of 1.6 million tonnes per annum of carbon dioxide with potential emissions from Stage 3 at about 6.9 million tonnes per annum. Taken together these represent 2.25 % of Australia's 1990 emissions.

Can you confirm that?

Mr Early—Once again, I would have to take that on notice.

Senator CARR—It just seems to me that—

Senator Kemp—Just for clarification, there is a bit of confusion around here about aspects of your question, which you might seek to clarify for us so we can help you. Just what is the submission that you are quoting from?

Senator CARR—I am asking specific questions about the advice that the officers have received.

Senator Kemp—You keep on talking about a submission and about people making comments. Would you like to enlighten the committee as to what submission you are talking about so that we are better able to respond to your questions?

Senator CARR—I am asking questions in relation to Environment Australia's undertaking of an environmental impact assessment for stage 2.

Senator Kemp—Senator, you have spoken about a submission.

Senator CARR—Senator Kemp, I just urge you to take advice from your secretary—he has been trying to grab your coat for some time now. I would suggest you heed his advice.

CHAIR—The secretary did make the same point, Senator Carr.

Senator Kemp—We have all made the same point, Senator. I am actually taking advice from the secretary.

Senator CARR—Take some more.

Mr Beale—Can we go back and examine what advice the AGO provided to Mr Early in the context of and prior to his provision of that letter to the company in relation to greenhouse matters?

Senator CARR—It is one o'clock; perhaps you can come back to us at two and tell us the answers to these questions.

Senator Kemp—And we may get some advice on what submission he is talking about. That will give Senator Carr an hour to work it out. That might be of help to you, Senator.

Senator CARR—You have had an answer, Senator. I suggest you actually study the—

CHAIR—At this point we will break for lunch.

Proceedings suspended from 1.01 p.m. to 2.04 p.m.

Senator CARR—Before lunch, we were discussing the advice that the Australian Greenhouse Office provided to the department on the shale oil project. Are you able to enlighten us, Mr Early, now that you have had a chance to check your files?

Mr Early—I checked our records and the advice provided by the Australian Greenhouse Office to me in relation to the submission by Southern Pacific Petroleum, as its EIS for stage 2 was almost precisely in the terms of my letter. I made a couple of minor changes but they were cleared by the AGO before the letter was sent. What they provided is in the letter.

Senator CARR—On the government's proposals—and perhaps this is to Mr Beale, too—with regard to the submission from SPP on the sale of the shale oil project for a government subsidy of some \$36 million, which was announced by the government on 13 May this year, what advice did the Australian Greenhouse Office provide to you on that?

Mr Beale—Any advice provided by the Australian Greenhouse Office or the department would have been in the context of our responding to requests in a cabinet context and therefore not advice that I would share with you.

Senator CARR—Has the department at any point received advice that the submission provided by the company with regard to the shale oil project, for which the government ultimately has made a decision to provide \$36 million of Commonwealth moneys, was in fact not supported by the Australian Greenhouse Office?

Mr Beale—Can I refer you to my previous answer, Senator.

Senator CARR—I will enlighten you. It is my contention that the Australian Greenhouse Office in fact provided you with advice to the effect that it did not support this submission for the Commonwealth to provide \$36 million to this company, because the company had not been able to demonstrate that the environmental impacts from the proposed plants were at acceptable levels. I further put to you, Mr Beale, that the Australian Greenhouse Office said that the project will lead to significant greenhouse submissions overall. It said that, at the current levels of performance, total emissions from stage 2 are estimated to be around the equivalent of 1.6 million tonnes per annum of carbon dioxide, with potential emissions from stage 3 at about 6.9 million tonnes per annum, and that ‘Taken together they represent 2.25% of Australia’s 1990 emissions.’ There is also the potential for significant emissions from the processing of shale from the proponent’s numerous other sites across Queensland.

Given that this is a submission—and I have a copy of it here, as you obviously know—and given that this is the advice from your officers, can you now indicate to me what the department’s view is about the government’s allocation of \$36 million to this company to undertake a project which will seriously undermine Australia’s greenhouse efforts?

Mr Beale—Senator, I have already advised you twice that, within the rules of this committee, it is not appropriate for me to comment on advice received from others or provide it to others in any context bearing on a cabinet submission. Chair, I would ask you to confirm my understanding that it would be quite inappropriate for me to comment on that one way or another. Certainly it would not be appropriate to give a personal or a departmental view in relation to a decision made by the government in that regard.

CHAIR—I am sure that is the case, Mr Beale, and the minister is nodding in agreement.

Senator CARR—Thank you, Mr Beale. I ask you, then, to comment on a newspaper report. The *Courier Mail* of Tuesday the 14th says that the ruling with regard to the Stuart project flies in the face of government policy. Would you agree?

Mr Beale—In the chairman’s introduction it was made quite clear that the department is not asked to give advice, and cannot appropriately provide advice, on its views on policy matters.

Senator CARR—I think the chairman said that you cannot provide a personal view on government policy. I am asking for a departmental view.

CHAIR—That is commenting on a matter of policy, though.

Senator CARR—Chair, could you please read the quote out again for me? Perhaps that will assist us in this project.

CHAIR—It says:

I remind officers that the Senate has resolved 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 committee, unless parliament has expressly provided otherwise. However, I also remind officers 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.

And the ‘personal opinion’ there must include the departmental opinion of the secretary.

Senator CARR—Mr Chairman, on the point of order—

Senator Kemp—Let me respond, Senator Carr, if you can just contain yourself. Senator, any advice from the department to a minister is confidential and, unless otherwise instructed

by the relevant minister, I propose to stick to the precedent that is long established in these committees.

CHAIR—It is a long-established precedent, Senator, as you would know.

Senator CARR—Yes, I am only too well aware of that. Mr Chairman, what I am asking for is the department's view, not the secretary's personal view—

CHAIR—Nevertheless, that is still commenting on policy.

Senator Kemp—I do not know how one can express the issue more clearly, but I will try again: any view that the department may express to the minister is a matter between the minister and the department and is not to be subject to questioning at these hearings. If the relevant minister wishes to make some views known, that is a matter for him. I have been coming to these hearings for a very long period of time, both in government and in opposition, and the rulings have been quite consistent.

Senator CARR—Yes, that is right, Senator. But this is the department's view of the clear decision, which is in breach of the policy they are currently operating under, and your answer to that is that they cannot tell us what their view is.

Senator Kemp—I think we will move on, Senator.

Senator CARR—On behalf of the government, Minister, how do you explain the awarding of \$36 million to this company in breach of government policy?

Senator Kemp—I do not know how much help I need to offer to you; you have been here a long time. That is a matter for the Department of Industry, Tourism and Resources; it is not a matter for this department. My understanding is—and I can be corrected if I am wrong—that it was an announcement made by Industry. If you wish to pursue this, I suggest you find yourself the right committee.

Senator CARR—The question before this committee is the government's policy on greenhouse, work relevant to this committee. You have a decision of government to award \$36 million in rebates to a company. It has been clearly indicated by this department on numerous occasions in correspondence to that company, correspondence sent by the officer at the table, Mr Early, as recently as 8 February, that this company has not satisfied the department—and, presumably, not satisfied the minister of this department—in terms of its Stuart oil shale proposal.

Senator Kemp—Senator, the government has made an announcement on this project, and therefore that is the government's policy. You seem to think there are subsets of government policies all around. The government reach decisions on the basis of advice from all sources and, at the end of the day, the government makes its announcement and that becomes government policy. I am not quite sure why you are attempting to run an argument that this is contrary to government policy. The government has made its decision.

Senator McLUCAS—Is it the government's policy, Senator Kemp, that, whilst the government is not prepared to sign the Kyoto protocol, it intends to meet the same commitment as the Kyoto protocol would have delivered?

Mr Beale—Australia has signed the Kyoto protocol.

Senator McLUCAS—I stand corrected; thank you.

Mr Beale—It has not made a decision in relation to the ratification of the protocol. It has indicated that it will, nevertheless, whether it ratifies or not, work to achieve its 108 per cent target—that is, 108 per cent of 1990 emissions.

Senator McLUCAS—I suppose the point I am making is whether it is contradictory for the government to have a policy, on one the hand, that says it will meet that 108 per cent commitment but, on the other hand, provide \$36 million to a company that the department of environment acknowledges will make it very difficult for us, as a nation, to achieve that target.

Senator Kemp—We make no comment on the latter part of your question. That refers, of course, to an overall commitment. There will be some projects which will have varying effects, so that does not rub out any particular project, I would have thought. We are talking about an overall level of emissions.

Senator McLUCAS—It makes it a bit harder though, doesn't it?

Senator Kemp—This is a government which has made a very clear statement, a clear commitment. The government has made its decision; you may not like that decision. If it is the Labor Party decision that this should not go ahead, we hear that. But that is not our decision. I guess the people who are going to be employed in this area will note the Labor Party position and the one you are expressing.

Senator CARR—Can I get an indication from Mr Early as to when the EIS with regard to stage 2 of the Stuart oil shale proposal near Gladstone will be completed?

Mr Early—The environmental assessment?

Senator CARR—Yes.

Mr Early—It depends on when the company comes back with the additional information it has been asked to provide.

Senator CARR—On 8 February, you said you wanted a lot more information to meet the requirements of the law. You are quite right. The minister obviously asked you to write this letter. I expect the minister for the environment said that that is what you should do—that there are serious concerns about the impact this proposal will have on Australia's environment and that more information is needed on a whole range of matters, particularly on the question of the poisoning of the Australian environment with dioxins. That is the thrust of your letter, isn't it—amongst the many other things you have?

Mr Early—I would not put it—

Senator Kemp—Before the officer responds, a lot of quite inflammatory statements were made there. I point out to Senator Carr, and to Senator McLucas, who comes from Queensland, that my understanding is that Premier Beattie supports this project. I am sorry that his federal colleagues do not. I guess he will be informed in due course that that is your attitude. My understanding—and Mr Beattie will correct me if I am wrong—is that Mr Beattie is a strong supporter of this project.

Senator CARR—I am pleased you think that is what we are here to do. I am interested to know whether or not, on 8 February, the first assistant secretary of the department—

Senator Kemp—I want to know Labor Party policy.

Senator CARR—wrote to the company concerned with this project about the concerns the department had about the issue of the wastes that the dioxin releases. Did you do that, Mr Early?

Mr Early—Yes.

Senator CARR—Have you had an answer?

Mr Early—No.

Senator CARR—Was there an answer presented to the department prior to the cabinet taking the decision?

Mr Beale—No answer has been provided to date, full stop.

Senator CARR—I accept that. Thank you very much. I appreciate the frankness with which you are dealing with this matter. The fact is that this government has now announced a rebate of \$36 million to this company. But, arising from this particular project, for which the government has now allocated a rebate of \$36 million, you clearly have very serious concerns about its capacity to poison the environment.

Senator Kemp—The government has announced its position in relation to this matter. If you are unhappy with the government's position, I suggest you raise it with the relevant estimates committee. The Labor Party position on this is as confused as in so many other areas. If it is all those things, why does your colleague in Queensland, Premier Beattie, support this project?

Senator CARR—I am interested here in the question of confusion, because Mr Early wrote a letter to the company in which he, quite rightly, on behalf of your brother minister—

Senator Kemp—We are all brothers, Senator.

Senator CARR—said that this company's proposal had a series of quite serious problems. It is a four-page letter requesting additional information for the purpose of examining the final EIS and preparing an assessment report for the Stuart oil shale project stage 2 proposal—waste materials, characterisation and proposed treatment. It goes on for two pages of finely detailed argument: dioxins, marine water quality, marine fauna, greenhouse emissions, fauna habitat, air quality, environmental monitoring plan and cultural heritage plan. Is it the case, Mr Early, that you do not have an answer to any of those?

Mr Beale—Senator, I have already told you a number of times that we have not had a reply to this. I would remind the committee that this is in relation to stage 2 of the project. It would be worth while examining the press release to see whether or not any funding provided by the Department of Industry, Tourism and Resources related to stage 2 of the project or to earlier stages.

Senator CARR—What the project related to was a \$36 million rebate—

CHAIR—You have mentioned that, Senator.

Senator CARR—Thirty-six million dollars for a product that the company cannot sell. You have indicated in the past that the company's financial position is a matter of concern, a matter of importance in regard to the EIS. That is true, is it not; that is part of the criteria on which you have to assess the company's liability?

Mr Early—Economic and social factors are taken into account, yes.

Senator CARR—I appreciate that. What we have here is a big bail-out by the Commonwealth. Talk about confusion: you have one department not knowing what the other department is doing.

Senator Kemp—Mr Chairman, if Senator Carr wants to have a big debate on this, we can have a big debate in the chamber, where Senator Carr can throw his comments around, raise his voice and attempt to harangue people. But we happen to be before an estimates committee, and we happen to have senior public servants before this committee. They are entitled to be treated with respect and they are entitled not to be asked to comment on things

which are of an essentially political nature. The committee objects when I come in and I say that there is massive Labor Party confusion on this. I have asked Senator McLucas whether or not she is happy that the project goes ahead, and I cannot get an answer, to be quite frank.

Senator McLUCAS—Senator Kemp, it is not your responsibility to be asking questions in this place.

Senator Kemp—The Labor Party is in total confusion on this issue, and Premier Beattie, I am advised—and he will correct me if I am wrong—is very supportive of this project. We have Labor senators jumping up and down and making political comments. If they want to make political comments, I will make political comments; if they want to ask straight questions that can be validly put to public servants, that is entirely appropriate and that is how we should proceed.

Senator ALLISON—When is the response to that letter due?

Mr Early—There are no time frames in the legislation on the proponent. It is entirely up to them when they come back with the information.

Senator ALLISON—What was the date of your letter to them? I have it, but it does not have a date on it.

Mr Early—It is 8 February.

Senator ALLISON—So there is no ongoing dialogue with the proponents on the basis of that letter? Have you made any calls to them asking how long this is going to take?

Mr Early—No, not really. There have been a couple of phone calls, but that is about it.

Senator ALLISON—What were the phone calls about?

Mr Early—Just about when we might be getting information, and we are no clearer on that than we were last time.

Senator ALLISON—So they said they did not know?

Mr Early—As you will see from the letter, there is quite a bit of information asked for, so it is not surprising that they are taking some time to get that together.

Senator ALLISON—What is the imperative; what cannot proceed prior to this being answered?

Mr Early—The whole assessment process is about whether or not stage 2 will proceed and, if so, under what conditions. So it cannot proceed until such time as the environmental assessment is complete and the minister's recommendations are given to the action minister.

Mr Beale—Accordingly, no product has been produced from stage 2 to which any payment or grant is currently directly applicable.

Senator ALLISON—Mr Beale, one would hope that it was not proceeding towards stage 2 in any way. Is that the requirement of the EA?

Mr Early—No, stage 2 cannot proceed until such time as the assessment is completed and consideration given to it.

Senator ALLISON—What is the new expected time frame?

Mr Early—There isn't one; we are just waiting for the company to provide the information.

Senator CARR—We are on a question of confusion here. I am deeply concerned that one government department does not have the slightest idea what another part of the government

is doing and is prepared to hand out very large sums of public money to assist in what is clearly a very serious ecological—

Senator Kemp—Which the Labor Party supports, by the way.

Senator CARR—You keep saying that, but the problem is that the state government has not actually contributed to this. It has not promised one cent for the project; in fact, it has said quite explicitly that the project must meet the highest possible environmental standards. Clearly, that is not the sort of standard that applies to this government in Canberra. Mr Early, why are you wasting your time with this EIS? The deal has been done. That is the truth of it, isn't it? The deal has been done.

Mr Beale—Can I ask Mr Early not to reply to that?

Senator CARR—I think Mr Early is a very conscientious officer.

Senator Kemp—Mr Chairman, Senator Carr is tripping into his old habits. I have indicated that I am not prepared to allow public servants to be drawn into a political debate on this issue. I have said that if Senator Carr and I want to have a political debate, we can do it all afternoon if he likes. It is a total waste of time; we have the Senate chamber for that. The only point I am making is that Senator Carr throws his papers around, and I am not sure that he is speaking for the Queensland Labor Party and, frankly, I am not sure that he is speaking for the federal Labor Party. He is speaking for the left wing of the federal Labor Party. I would be very interested to test with his colleagues whether his approach is shared. I put that on the record.

Senator CARR—You give me far too much credit.

Senator Kemp—As you have pointed out, Senator Carr, there are a lot of neo-Liberals in that Labor Party.

Senator CARR—What we can say is that there are absolutely no liberals in the Liberal Party—that is absolutely certain!

Senator Kemp—You have fingered them, Senator. Mr Chairman, I am happy to have a political debate—I like a political debate, to be quite frank—but, as we have senior people here from the Public Service who are happy to answer questions, I would urge you to encourage Senator Carr to ask questions that can be properly put to public servants and to put them in a way which is courteous and appropriate.

Senator CARR—I am always courteous.

CHAIR—Mr Beale has said that Mr Early should not answer that question you put last, so perhaps you could move on a little.

Senator CARR—Mr Early is a very conscientious officer. His letter has obviously taken a considerable amount of time, energy and resources of the department to actually make all these propositions to the company. He has sought quite detailed answers from the company about an extremely important matter. It is such a pity, Mr Early, that your fine efforts are being ignored by this government.

Senator Kemp—I know that Senator Carr may not be the brightest person in the Labor Party, but I have made my position very clear on this. He has now come back and asked this question for a third time. Just for the record, my understanding is that the Queensland government has given \$11 million to this project—

Senator CARR—I said they had not promised any additional moneys to this project.

Senator Kemp—so that also makes a correction, I have to say. Let us face it, Senator, you are in total confusion—as the Labor Party always is on these issues. Mr Chairman, can we now get off the political side because this, as you know, only encourages me. Can we now get back on to the factual matter which we have public servants here for?

Senator CARR—We have the factual matter that the government has allocated \$36 million for a project while an EIS process is under way. Quite clearly, the government is acting in complete disregard to the EIS process.

Senator Kemp—We have made all the comments that we need to make on that matter. I am advised that the Queensland Labor government has apparently contributed \$11 million; Senator Jan McLucas's government in Queensland has put \$11 million to this project. We have made our announcement. Senator, if you do not like the announcement, convince your federal colleagues to come out and oppose it. As far as I am aware, they have not done that; if they have, you can correct me.

Senator CARR—What information does the department have about the dioxin emissions from the Stuart shale oil project?

Mr Early—The information is largely that contained in the environmental impact statement. We did not think that was adequate, as you know, and we asked for more information.

Senator CARR—Thank you very much, Mr Early. We have established that the department does not think these are adequate. Has there been any independent assessment of the dioxins emissions?

Mr Early—I would have to take that on notice in terms of the processes that went into the preparation of the environmental impact statement.

Senator CARR—The government is allocating \$36 million, so surely there has been an independent assessment of the dioxins emissions from this proposal?

Mr Early—The independent assessment has been done through the Environment Protection (Impact of Proposals) Act.

Senator CARR—What do we know about the emissions that are likely to flow from this project when compared to the acceptable health limits?

Mr Early—I would have to take those sorts of technical questions on notice. The environmental impact statement was done some time ago. I have not looked at it recently so I would have to take that on notice.

Senator CARR—I have seen stuff from the company—and they have provided me with a great deal of material. They say they can reduce the dioxins emissions to a fraction of the current levels—the levels for which this government seems only too happy to fund them to the tune of \$36 million.

Senator Kemp—And Mr Beattie to the tune of \$11 million.

Senator CARR—He has not promised any additional moneys to the company because he probably knows what the environmental dangers are.

Senator Kemp—Mr Beattie is putting money up.

Senator CARR—He is not prepared to ignore the environmental dangers the way the Commonwealth is.

Senator Kemp—I know this is an embarrassment to you, Senator. Mr Beattie has put up his money.

Senator CARR—Have you had any assessment, Mr Early, as to whether or not the company's claims about the reductions in dioxins are feasible?

Mr Early—The reason we sought the additional information is that under the legislation we did not have sufficient information to make an informed decision. That is still the situation.

Senator CARR—And that certainly was the situation prior to the government decision to allocate them \$36 million.

Mr Early—It was the situation when I wrote the letter in February.

Senator CARR—And nothing has changed since then?

Mr Early—No.

Senator CARR—I will turn to the question of odours. Have you had a look at their odour problem?

Mr Early—I think it is really inappropriate for me to go through every single issue that has been identified when we are part way through an assessment process.

Senator CARR—It seems that you are part way through, and this is my point. The serious point I am trying to make here is that you are part way through an assessment process. You are handling it conscientiously and in accordance with the law—that is how I take what you have said to us. But the government seems to have unilaterally come down with a position to allocate \$36 million to a project, when your own officials have told the government that they do not support the submission of the company to receive that money because the proposal has not been able to demonstrate that the environmental impacts are at acceptable levels.

Mr Beale—Perhaps it might be helpful if I were again to point out that the advice that Mr Early has been providing to the company in terms of its EIS is in relation to stage 2 of this project. As I understand it, there has been some product produced from stage 1, which is not a matter covered by this EIS. In the media release by Minister Macfarlane—about which questions would be better directed to the Department of Industry, Tourism and Resources—it says:

Under Stage 2 SPP/CPM must satisfy rigorous State and Federal government environmental regulations. It should be allowed to get on with the job of producing oil.

The point that I am making here is that stage 2 has not reached the point of getting those approvals. In this sense, no matter of law or breach of legal process arises. We have not made a determination in relation to stage 2.

Senator CARR—They have not been able to sell any oil from this project, have they?

CHAIR—That is not really an environmental issue. It is a department of industry issue.

Senator CARR—No, but it is the truth.

Senator ALLISON—I think, Chair, you might be wrong in that respect. It is my understanding that stage 2 cannot be given the go-ahead unless stage 1 is viable. Can I ask what role the \$36 million has in that viability?

Mr Beale—I am not sure of the details of the relationship between the two stages in that regard. Again, perhaps we should take that on notice.

Senator ALLISON—I am sure Mr Early would be across that.

Mr Early—We would have to raise that issue with the industry department. I am not even across the details of the \$36 million.

Senator CARR—I suspect you will be by the time we next meet. Mr Early, you have already indicated to us that part of your consideration is the economic consequences and the company viability. I asked you questions on this issue last time, and you clearly indicated that the viability of the company was a factor that you had to consider.

Mr Early—It is one of the economic and social factors, yes.

Senator CARR—So the issue of whether or not the Commonwealth government is prepared to throw a lifeline of \$36 million to the company has a bearing on your decision?

Mr Early—I do not think I can answer that.

Senator CARR—Would you like to take that on notice?

Mr Early—I am not sure it is a question I can answer.

Senator CARR—I would ask you to take that on notice and give me a considered reply.

Senator ALLISON—I have some questions about greenhouse emissions from the shale oil proposal. Do you have any idea at this stage what they would be? I understand that Southern Pacific Petroleum have claimed that they can reduce the emissions to 40-plus per cent over regular conventional oil. Are you satisfied with that assessment of 40 per cent? If so, what do you base that satisfaction on?

Mr Early—As you will see in the attachment to my February letter, we asked for additional information on the technical details of the methodology used and assumptions made. Those points under ‘Greenhouse gas emissions’ indicate that we required additional information in order to make an informed judgment.

Senator ALLISON—Environment Australia must have some idea as to the likelihood of that being achieved. Have you done any work of your own to determine whether this is indeed possible? There are shale oil mines all around the world. Presumably some have the sort of technology being proposed here.

Mr Early—It is not appropriate for Environment Australia to be making comments midway through an environmental impact assessment, because we have to wait until we have all the information in order to make a considered judgment and provide advice to the minister.

Senator ALLISON—So you have not done that work?

Mr Early—No; I am saying that I am not in a position to make judgments midway through an assessment when we do not have all the information.

Senator ALLISON—I am not asking you to make a judgment. I am asking whether you have done any work to assess for yourselves, prior to this information coming in, whether it is likely.

Mr Early—We have done some work, which led to the concern about the information that was provided.

Senator ALLISON—You have done some work?

Mr Early—Yes.

Senator ALLISON—And that work leads you where?

Mr Early—I do not think it is appropriate for me to be explaining that.

Mr Beale—It led us to raise the question and to ask the company to come back and provide a rigorous justification of its claims.

Senator ALLISON—I understand that the proponents of the Stuart oil shale project, Southern Pacific Petroleum and Central Pacific Minerals, planned back in 1999, according to correspondence to EA, to set up a group to oversee research on the stage 3 development aimed at ‘minimising its impact, particularly on the marine environment’. Those documents suggested that the proponents were keen to involve the Commonwealth government in that group. Can you indicate if that group has been set up and whether the Commonwealth government is involved?

Mr Early—As far as we know, the group has not been set up. We answered questions on this in the last Senate estimates. We were made aware of the proposal, although no request was made, and there has been no involvement.

Senator ALLISON—Since this was raised with you, presumably in February at the last estimates, you have not approached the proponents to ask them what is happening with the group?

Mr Early—No, Senator.

Senator ALLISON—Will you contact them and raise this matter?

Mr Early—I was not proposing to.

Mr Beale—I think the ball is in the proponent’s court, Senator.

Senator ALLISON—They did undertake in 1999, in response to a question from the EA, that such a group would be set up. Do we just sit back and wait until they tell us when and how?

Mr Early—This was in relation to the stage 3 development, Senator.

Senator ALLISON—That is what I am referring to.

Mr Early—We are still at stage 2; we are not even through the assessment for that yet.

Senator ALLISON—So, in 1999, when did they imagine they would set up the group. Was there some suggestion?

Mr Early—I have no idea, Senator.

Senator ALLISON—If stage 3 were to go ahead, how far ahead of stage 3 would you expect that group to be necessary, since it looks at studies and research?

Mr Early—Given that it was the company’s suggestion and they did not make a formal request to us to be involved, I really do not know anything other than that vague generality.

Senator ALLISON—Is there any further update since February on the sliver of land within the lease area that is part of the Great Barrier Reef World Heritage area?

Mr Early—I do not think anything has changed, Senator.

Senator ALLISON—So the proponent still refuses to relinquish this part of the lease, despite claiming not to actually need it?

Mr Early—That is my understanding, Senator.

Senator ALLISON—Thank you.

Senator McLUCAS—In going to the budget of the Great Barrier Reef Marine Park Authority, I have tried very hard to find the money and where it fits in the budget papers. I

wonder if you would briefly walk me through where the money is, starting off by telling me what the total budget is for the Great Barrier Reef Marine Park Authority for 2002-03?

Mr Manson—I could refer you to page 249, suboutcome and outcome groups of the portfolio budget statements. There you will see that the total price of outputs is \$31,190,000.

Senator McLUCAS—Just by way of explanation then, in the white document—the name of which I forget—there is a total figure for the Great Barrier Reef Marine Park Authority of \$32,090,000. Can you explain the difference in those two figures?

Mr Barrett—The figure in Budget Paper No. 4 in the total agency resourcing table is based on cash-flow estimates. The figure that we have talked about, the \$31.19 million, is an accrual based figure in accordance with the current approach to government budgeting on accrual budgeting processes. So there is a difference between the cash-flow figure and the accrual based figure.

Senator McLUCAS—I think that explains something.

Mr Barrett—The cash-flow figure would include such things as any accounts receivable at the end of the year, revenue from retail operations, the gross revenue and GST impacts.

Senator McLUCAS—Thank you. What extra revenue is expected to be received by the increase of the EMC in April 2003 in the 2002-03 financial year?

Mr Manson—The increase does not begin until next year, so we expect to get five months of the increased EMC, which is a 50c increase from \$4 to \$4.50. This is the first increase in five years and that increase is required by regulation, as agreed between the peak body of tour operators and the previous environment minister, Senator Hill. So the net impact on the agency in the following year is \$500,000 to \$700,000 in a full year. So we might expect \$200,000 extra in the first year and up to \$500,000 to \$700,000 in the following years.

Senator McLUCAS—In 2002-03 the added moneys from the EMC is in the vicinity of \$200,000? I am trying to ascertain the growth in income from the EMC for the 2002-03 financial year.

Mr Barrett—We have not included those estimate increases in the budget papers at this stage. We were waiting for industry to be notified of the increase. Studying the tourism figures very closely, on an accrual basis we would expect, if the increase comes in on 1 April and visitor numbers are maintained, there to be an extra \$200,000 accrued to the authority in that first year.

Senator McLUCAS—Thank you, I understand that now. The other revenue issue is Reef HQ. For the record, can you give me its closing and opening dates and the refurbishment period?

Mr Manson—The closure was somewhere around 15 February this year. The opening date is still set for 5 July. To date everything is on schedule, so we expect the works to be completed. From our original estimates, the engineering team has been able to bring forward the opening date, in which case we expect an extra 2½ months of income above what was originally proposed. But that is because we have been able to find some engineering solutions that saved us a couple of months in terms of the time frame.

Senator McLUCAS—Can you compare the revenue from Reef HQ for 2001-02 with 2002-03? What would be the difference in revenue from visitation to Reef HQ?

Mr Barrett—Page 274 of the portfolio budget statements has the estimated revenue from Reef HQ for this year and for next year. The revenue from this year takes into account the fact that the aquarium has been closed since February, and obviously we are looking for a marked

increase in revenue next year when it reopens for a full year and has all the retail operations going.

Senator McLUCAS—We do not have the figures to compare the expected revenue for 2002-03 with 2000-01. Do you remember those?

Mr Barrett—We would have the figure in our annual report.

Mr Manson—The answer to the question is that we expect our income from the revamped centre, at least for the first one or two years, to go up by perhaps \$300,000 or \$400,000 if our optimistic view of visitor numbers is met. But certainly we would expect that our income would definitely be greater and certainly not lower than it was previously.

Senator McLUCAS—What does the business plan show for the visitor numbers for 2002-03? What numbers are you predicting?

Mr Manson—The optimistic view is more than 125,000. Our budgeting process is, I think, 120,000, and our worst case scenario is probably about 110,000.

Senator McLUCAS—How many people came in 2000-01? I recognise that it is a bit hard to compare, given that it is much better now.

Mr Manson—I may have to give you final advice on it, but I think the figure was around 88,000. I do not have the exact figure in front of me, but I would be happy to provide it if you require it.

Senator McLUCAS—I want to go to the portfolio budget statements now and work through the outputs. I note that output 1.1.1 is the area that includes the Representative Areas Program activity. The growth in that output, I understand, is \$50,000 between this year and last year. Is that correct?

Mr Manson—Are you on page 253?

Senator McLUCAS—I am on page 257 of the PBS, comparing it with page 253.

Mr Manson—I believe the figure for the estimated actuals for last year was \$1.291 million, and this year it is \$1.367 million. Are they the two figures you are referring to?

Senator McLUCAS—I am referring to 2002-03, \$1.383 million, compared with the actuals for 2001-02 of \$1.333 million—which is a growth of \$50,000. Is \$50,000 enough to run the consultation for the Representative Areas Program?

Mr Manson—Some of the funds in the consultation process for the Representative Areas Program are embedded in the reef education and communication project. The figure for advertising and community service announcements to ensure the community is aware of our program of opportunities to meet with staff and provide detail, person to person or group to group, is about \$100,000 in that budget. There are a number of other areas in the budget where some assistance is provided by some of the other groups, so the total amount does not need to be increased significantly in that area because the program was largely established last year. The coming year is the implementation phase, and the same staff that were setting it up will be doing the implementation. So we do not expect any significant extra need at this point in time.

Senator McLUCAS—In output 1.2.1 there is an increase of \$21,000 in the Water Quality and Coastal Development Program. We are now moving to the implementation stage of the water quality action plan. What increased costs would you expect to have that can be covered by that amount of money?

Mr Manson—To clarify, the plan for the reef task protection is under the Queensland government, although that is being coordinated in a consultative approach with the Commonwealth agencies. Our role in the water quality program is to provide the expert advice and support, particularly to the auditing proposals and the on-ground relationships in Queensland, and to attend planning meetings and so forth. Our role at this stage is not to fund significant works on the ground. Funding for works on the ground is anticipated to come through some rearrangements from Queensland and Commonwealth budgets, potentially through NHT2, when and if those proposals are put forward and approved by the government.

Senator ALLISON—Will GBRMPA be involved with bidding for any of the NAP money?

Mr Manson—Not directly in that process. It depends on the outcome of the Queensland action plan. If the recommendations are such that our agency, GBRMPA, would be best placed to provide some services or facilitation to the task plan, then it may be appropriate at that time to consider our agency putting in a bid through the NHT or NAP process. At this stage, our role is primarily scientific planning and institutional advice.

Senator ALLISON—Mr Manson, did GBRMPA actually put in a request for funding for the implementation stage of the water quality works?

Mr Manson—The water quality action plan in Queensland has not come to fruition. There were recommendations from the task group, which is a Queensland government task group that I was a representative on, that went to the Queensland cabinet. The recommendations were approved last December, but since then the Commonwealth and the state have been negotiating at officer level to take forward those recommendations approved by Queensland cabinet. One of those is to prepare a reef protection plan. At this stage, that plan is due to be finalised by December this year. Not all of the arrangements are in place yet, but we expect a draft plan to be about in September. At this stage, it is not possible for us, without the task plan, to know where we are going.

Senator ALLISON—The *Australian* reported that an application for funding for water quality targets implementation had been put to Minister Truss. Is that not the case?

Mr Manson—I think I might have been talking about a slightly different thing. I will ask Connall O'Connell from EA, who is responsible for the NHT part of this bid, to make a comment.

Dr O'Connell—I am sorry, I missed the question. Could you restate the question?

Senator ALLISON—I understand an application was made for funding for water quality target implementation to Minister Truss. That is what was reported in the *Australian*.

Dr O'Connell—I do not think that is correct. I think what was being referred to were some preliminary discussions concerning the possibility of water quality works in the area. I think I am referring to the same article that you are referring to, but I do not have it in front of me. That is essentially for Minister Truss and would obviously be best handled by the AFFA portfolio. But it is also true to say that the issues that you are raising are ones which are under consideration by ministers at the moment.

Senator ALLISON—So the article was completely wrong when it said that the minister for the environment had signed the application for funding, but that it was sitting on Minister Truss's desk and had not been responded to? Is that quite wrong?

Dr O'Connell—It would not be appropriate for me to be discussing the issues between ministers at the time.

Senator ALLISON—But it ought to be possible to indicate whether an application was prepared by the department?

Dr O'Connell—As I said, my understanding is that there was not an application for that particular project, as that article suggested.

Senator ALLISON—When does the department see it being appropriate to make applications for implementation of water quality target?

Dr O'Connell—There is an expectation that the Natural Heritage Trust, through its regional component, will be looking very closely at projects which would address water quality entering the Great Barrier Reef lagoon, and that particular area that was referred to would be one of those areas. That would be a matter for dealing both with the Queensland government and the relevant regional body. As I say, there is not a proposal on the table at the moment. That work is yet to come through.

Senator McLUCAS—To return to the PBS, looking particularly at output group 1.5, it seems to me that there is quite a substantial cut in that output of the vicinity of \$1½ million. Have I read that correctly?

Mr Manson—That refers to the cessation of the three-year special enforcement program, which is now completed. So that is about \$1.2 million per annum of the special one-off project, which went for three years and is now completed.

Senator McLUCAS—And that would explain why you are not reporting the number of vessel patrol days this year? In last year's PBS a number of vessel patrol days per annum was reported. This year you are not reporting that?

Mr Manson—No, I do not think that is the reason we took it out. Our vessel patrol days were somewhat enhanced by contracts with the boating and fisheries patrol, water police and the Queensland Parks and Wildlife, who largely carry out our operational functions. The proportion of that budget which was the enforcement budget spent on vessel patrols was probably around \$400,000 a year. With the cessation of the program, our normal vessel patrol program will go back into place. However, learning from the experience of the special enforcement program, we have rearranged our normal operations to pick up the best lessons that we learnt in the special enforcement program.

We have rearranged our budgets to give effect to priority of \$350,000 to boating and fisheries patrol to continue the same level of contract we have had with them for the last few years, and also internally on special operations which we will be able to conduct using charter boats and other things. So our overall vessel days will not necessarily go down very much. However, they will be better targeted because we now also have a special enforcement analyst team who are working on intelligence, so that when a vessel goes out it has actually got a better target to aim at. While we may fractionally reduce our vessel patrol days, our effectiveness has in fact gone up and our figures show that.

Senator McLUCAS—What is the reason that we do not report the number of vessel patrol days?

Mr Manson—It is not a very good measure; just being on the water is not the best measure. The number of enforcement infringements where there is serious environmental harm is a much better measure than just the number of days the boat goes out on the water.

Senator McLUCAS—Are you considering using that as a reportable measure?

Mr Manson—We are currently investigating changing our current vessel patrol days to the area covered. We can do that because we now use aircraft and all of our vessels patrols have

GPSs in them, so we know exactly where they have been and we can quickly calculate on the computer the amount of square kilometres that we have been across in any one year.

Senator McLUCAS—The other concerning fact that you have had to report this year is that the amount of money for management of the park is going to go from \$32 per square kilometre to \$28 per square kilometre. First of all, what program does that impact on? And have you had to carry that, given the reduced appropriation?

Mr Manson—It reflects the reduction in the special enforcement program; that is the net impact of that program. But while the figure might have come down to \$28, the effectiveness of our program on the ground, particularly for compliance issues, has significantly increased, particularly now that we use Coastwatch and Customs in a much more coordinated way than we ever have in the past.

Senator McLUCAS—You said the special enforcement program is worth about \$400,000. Is that right?

Mr Manson—No. I think I said the special enforcement program spending on vessel patrols or vessel related activities last year was in the order of \$400,000.

Senator McLUCAS—There is still quite a considerable cut in that program, though.

Mr Manson—I would suggest that we have in fact become more effective by using Coastwatch intelligence and a different way of operating our investigators than by just sailing around large areas of the park. We now have a very targeted program. We can send our boats to where the action is, because we have intelligence from Coastwatch, which is provided to us free of charge.

Senator McLUCAS—Going to output 1.7, Reef education and communication, can you explain the \$435,000 cut in that program?

Mr Manson—I may need some clarification from John, but I understand that we were given extra funds for the refurbishment budget and next year, those refurbishment activities having been completed, the budget will drop back.

Senator McLUCAS—That is the program that the refurbishment went through?

Mr Barrett—Yes, as I understand it.

Senator McLUCAS—I may have to compare it to the year before, to get a realistic position.

Mr Barrett—It is a bit hard to compare the two from year to year.

Senator McLUCAS—I come up with a cut of \$2½ million after you go through those projects. Is it your assessment that the appropriation is \$2½ million less than it was last year?

Mr Barrett—Yes.

Mr Manson—That is very close to our figure.

Senator McLUCAS—I am pleased you have said that. It is good to have that on record, given the *Townsville Bulletin* of 16 May this year. Going to the expenses side, page 265 of the PBS shows the revenues from government once again about \$2½ million down on last year. There is a small increase in sales of goods and services. I am interested in the interest difference. Last year's estimated actual is \$290,000, as opposed to \$65,000 this year. Can that be explained?

Mr Barrett—The interest estimate that we came up with was based on the authority's capacity to draw down its funds and earn interest on the money while it is in our bank

accounts. The aquarium being closed from February to June meant that we had additional funds earlier than we were expecting. We expect to get around that \$290,000 interest figure. Obviously interest earned on that basis, in the sort of exceptional year we had this year, is a lot higher than it would normally be. In a normal year, we would just be drawing down the money on our appropriation fortnightly.

Senator McLUCAS—Have you been advised that some of that interest has to be remitted back to Treasury?

Mr Barrett—My understanding is that, as a CAC Act agency, we are separate from the procedures that might apply to an FMA Act agency.

Senator McLUCAS—The large number of ‘other’: I know you have a note to that but could you explain that large revenue of ‘other’, please?

Mr Barrett—The ‘other’ revenue represents funding from the Queensland government as their contribution to the day-to-day management program of the marine park.

Senator McLUCAS—And, once again, if you look at the bottom of that we are still \$2½ million down in revenue. The increase of depreciation is obviously due to the refurbishment of Reef HQ.

Mr Barrett—It reflects the refurbishment and the replacement of assets, yes.

Senator McLUCAS—Can I then refer you to the next page. Why don’t you have a more substantial increase—well it is, in fact, a decrease, in the asset value and what is shown under the non-financial assets?

Mr Barrett—The simple answer is that a lot of the work that has been done on the aquarium is replacing old assets, some of which still have an economic value on them. Those assets that you see under the value of assets sold on the operating statement at \$431,000 are being sold. That is the value of those items or they have been disposed of and have not earned any income on their disposal. So I suppose the assets are being written off, which is why the asset value does not increase, although we have had this additional expenditure on the assets.

Senator McLUCAS—It just looked a bit unusual, the way it read. So the increases in revenue, in essence, are from increased visitation at Reef HQ and the \$200,000 is from the increase in the EMC?

Mr Barrett—The EMC figures have not been included at this stage.

Senator McLUCAS—So the press release from the Marine Park Authority printed in the *Townsville Bulletin*, where Ms Chadwick is quoted as saying that that is where the growth will be, was probably a little bit misreported. Is that correct?

Mr Barrett—I had a look at that article and certainly the figure she talked about of increasing revenue from Reef HQ is occurring; we expect that to occur. The figures that I think you were quoting on appropriation changes are accurate. There is some funding we are receiving this year from developer funded monitoring of particular developments that we do not expect to continue into next year. That is offset by the increase in revenue from Reef HQ.

Senator McLUCAS—Are there any other expected windfalls?

Mr Barrett—Not that I am aware of.

Senator McLUCAS—On page 274, in appendix 1 we have the Queensland government contribution, which is very clear, and the growth in Reef HQ visitation and then we have got something called ‘other’, which is going to go from \$2 million to \$500,000. Can you explain what that is?

Mr Barrett—There are a number of other sources of revenue. We were talking just before about the developer funded monitoring. This year we also received a grant to install public moorings in the marine park. We did have an expectation that we would be doing some additional educational activities that would earn revenue. It includes things like permit assessment fees, fines and so on.

Senator McLUCAS—We are talking about a decrease of \$1.7 million.

Mr Barrett—The major figure there is the developer funded monitoring, for which we have received about \$1 million this year to cover our costs.

Senator McLUCAS—I think that explains something. Thank you.

Senator ALLISON—I turn now to the Representative Areas Program. I understand the RAP has been officially launched now. Is that correct?

Mr Manson—That is correct.

Senator ALLISON—What was there in the budget by way of additional funding for that program?

Mr Manson—The Great Barrier Reef Marine Park Authority has four critical issues groups which were set up more than three years ago with a view to putting priority resources to those critical issues. One of those issues was the Representative Areas Program because it was seen that the variety of non-reef bioregions had not been adequately reserved within the park. So the program in fact started some years ago. It is now operating on a fully staffed basis and we believe the budget in the program is adequate for the time being.

Senator ALLISON—When will it not be adequate?

Mr Manson—Our consideration here is that we have gone into a public process. We expect to complete the process—and perhaps this an optimistic expectation—within 20 months. If, during that process, there are significant communications issues that we need to deal with then we may need to rearrange some of our other priorities to assist the RAP budget. The program has been well planned and at this stage we do not expect that we will go over those budget expectations.

Senator ALLISON—What is the expected cost of advertising, consulting, printing et cetera for the whole process—that is, from the beginning of the process right through to the end?

Mr Manson—I do not have those to hand.

Senator ALLISON—Perhaps you could take that on notice?

Mr Manson—Yes, I could take that on notice.

Senator ALLISON—What budgetary constraints are you operating under? What would you be able to do if there were more funding available?

Mr Manson—I am sure we would always like to have more funding. We do have very clear priorities set out through our critical issues groups. It is a matter for the government to decide what our annual funding level will be. I am not sure that it is useful to speculate against what might be the case if we had more money. What we would probably do would be accelerate our key priorities, where that would be appropriate.

Senator ALLISON—What are the No. 1 and No. 2 priorities?

Mr Manson—We set out in the budget statement our four critical areas; water quality and the management of fisheries would probably be the main priorities that we have at the moment.

Senator ALLISON—Not very long ago GBRMPA put out a report on coral bleaching in the Great Barrier Reef.

Senator McLUCAS—Do you mind if we just remain on the same topic?

Senator ALLISON—Yes, certainly.

Senator McLUCAS—Can I get a copy of the consultation plan for the Representative Areas Program? Is that a document that the committee may have access to?

Mr Manson—Yes, we do have a number of public documents available on our web site about the process and timing. I could certainly make those available to you and, if they are not in enough detail, I am quite happy to come back to you with whatever detail is required. We have a timetable and program through the public process. We have a program to deal with as many communities and community and interest groups as we can to gather information during this first stage. We will consider that information coming in and the scientific advice that we already have and come up with the candidate areas. Then there will be a second, formal public process for people to have input. Is it that timetable that you are interested in?

Senator McLUCAS—I am actually looking for a copy of the consultation plan rather than the timetable of consultations. I understand you have had some public meetings in Cairns, Townsville and Port Douglas or somewhere in the Douglas shire. I have put on record that I am a bit concerned that people did not know that some of those meetings were occurring. I am interested to know that there has been good attention put to planning a robust consultation process. I suppose I am asking for a copy of the consultation plan.

Mr Manson—My assumption is that that plan would be readily available to you. It is probably an internal document at the moment; we have not released it publicly. Not every element of that plan would be available to the public at this time.

Mr Beale—Could Mr Manson take it on notice and come back to you if it is possible?

Senator McLUCAS—Certainly. Can you tell me if there are consultation meetings proposed for Brisbane, Sydney or other states of Australia?

Mr Manson—My understanding is that there are consultation meetings in other capital cities and there will be opportunities during the program for people to have access to our communication team.

Senator McLUCAS—Good.

Senator CARR—Can I raise some concerns that I have about the administration of GBRMPA. I am sure the officers would have read the answers to questions on notice from last time, in particular those relating to the fact that three former Liberal Party candidates were now members of the authority. Are the officers familiar with that answer?

Mr Manson—I am reasonably familiar with the chair's response to those items.

Senator CARR—Mr Manson, it has been put to me that the authority is operating in an increasingly party political manner. I will give some examples of that, because I am sure that these are serious issues to you all.

Senator Kemp—Who has put that to you, Senator?

Senator CARR—Let me just give you some examples and you can see a widespread view that has been put within the Labor Party, for a start.

Senator Kemp—That sounds to me like it is from one of the smallest factions in the party from the left.

Senator CARR—Let us have a look at this: on 24 April, Mr Lindsay is on the front page of the *Townsville Bulletin* leading a call to close 25 per cent of the marine park and green zones. The following day, the authority put out a media release congratulating him on his work. Can you explain to me the circumstances whereby the authority chose to put out a press release of that nature?

Mr Manson—Where the authority generally agrees with proposals being put by other parties, it is often polite and normal for us to either congratulate them or show that we agree with some other members of the community.

Senator CARR—Given that the consultative process is currently under way, which Senator McLucas has drawn our attention to, do you not think you might be a bit pre-emptive to be lending support to a particular model prior to that consultation process being concluded?

Mr Manson—Without the two articles in front of me, I am afraid I cannot get the exact understanding of what the congratulation was for and answer your question as to whether we are agreeing to a model before the process is completed. Without those papers in front of me, I am afraid I cannot answer that directly.

Senator CARR—It says here in the article:

The Great Barrier Reef Marine Park Authority ... welcomed the interest and support of Federal Member for Herbert, Peter Lindsay, for greater protection of the Marine Park.

Mr Manson—I would expect that the authority—

Senator Kemp—What a terrible thing to do!

Senator CARR—Except the trouble is wasn't Mr Lindsay actually suggesting a reduction in the marine park?

Mr Manson—I would have thought the charter of the Great Barrier Reef Marine Park Authority, through its act, is for preservation and protection of the park as well as appropriate use. I would not see it as unusual to welcome the support of those who support the charter of the organisation put down in the act.

Senator CARR—The problem is that the headline in the newspaper, which appeared just before the press release was issued, is 'Cordon off reef'. The proposal, actually, was to reduce the reef. That is what surprises me. Why would the authority be running a political campaign in this way?

Senator Kemp—There are a lot of assumptions involved there. We do not have the statement by Mr Lindsay before us, and we do not know what he said. We do not have the press statement before us that the Marine Park Authority put out, and until we have those bits of paper it becomes a bit hard to have a discussion about it. I do not know whether you have those bits of paper with you. If you do, you might like to pass them forward. If you do not have them with you, then in that case I suspect we should take your concerns on notice and then the marine park authority will reply.

Senator CARR—Take them on notice, if you like. I just say that it does strike me as odd. I will go on to say that the appointment of Ms Barker—and I raised this issue at the last estimates round—occurred right on the death knell of the last parliament. It was on the eve of

the caretaker period, within hours of the caretaker period cutting in, that the government announced the appointment of Ms Barker to the authority. That is the case, isn't it, Mr Manson?

Mr Manson—The questions related to the appointment of Fay Barker, and other appointments to the board, are definitely matters for which the minister is responsible.

Senator CARR—Yes, that is a fair enough point. You are entitled to make that point. It is a matter for Senator Kemp to answer. Why was it in the circumstances of the death knell of the government's term, just before we were about to go into the caretaker mode in the last parliament—

Senator Kemp—It was more a rebirth of the government than a death knell, I would have to say, as it turned out.

Senator CARR—You might say that. But you have got a situation here that on the threshold of a federal election the government announces a new appointment to the marine park authority. What I would like to know, Senator Kemp, is when was it apparent to the decision makers in this matter that Ms Barker was the fifth largest donor to the Liberal Party in Queensland in 2000-01?

Senator Kemp—I do not have a clue what you are talking about, to be quite frank. My understanding is that this was extensively covered previously.

Senator CARR—No, it was not.

Senator Kemp—Senator, you come up and raise all these attacks on people under privilege. I do not happen to have that information. It is quite clear that she was not a trade union boss who funds the Labor Party. I suspect that we can establish that. If you want me to turn my mind to it, I will get the relevant minister to look carefully over the information that was provided to the last committee and provide any response that he feels is appropriate.

Senator CARR—Thank you very much.

Senator Kemp—People can support the Liberal Party and still be appointed. We have noted that a huge number of appointments by the Labor Party, by Mr Beattie and Mr Carr, are actually trade union officials and Labor Party supporters. I am not sure whether you are attempting to impose a rule on the coalition that you are not prepared to accept on the Labor Party.

Senator CARR—Three out of the four members of the GBRMPA board are former Liberal Party candidates. Can you tell me whether being a member of the Liberal Party or being a previous candidate for the Liberal Party is now a criterion for appointment to the authority?

Senator Kemp—You are just being childish, as usual.

Senator CARR—I just wanted to know.

Senator Kemp—You are just showing your usual Labor Party bias and paranoia.

Senator CARR—Three out of four is not bad.

Senator Kemp—We understand that, Senator. But we happen to be in government and we happen to make appointments.

Senator CARR—Thank you for your edification.

Senator Kemp—That is what happens when you win. When you lose, you do not make the appointments. That is the trouble. And you have made a habit of losing.

Senator CARR—We are not talking about trade union officials here; we are talking about three out of the four candidates. Is it the case that a company of which Ms Barker is the principal was in fact the fifth largest donor to the Liberal Party in 2000-01?

Senator Kemp—I do not have a list here of donors to the Liberal Party. I am sure that the qualifications of these people were carefully looked at before they were appointed. I do not have anything further to add. If you object to people giving to the Liberal Party, if you think that anyone who gives to the Liberal Party should be thereby excluded from any appointment—if that is the rule you are seeking to impose, there would be a big shortage of trade union officials on government boards.

Senator CARR—Mr Manson, does it concern you in any way that the community might challenge the independence of GBRMPA, given that level of three out of the four being former Liberals?

Senator Kemp—Mr Chair, this is just a silly political attack again from Senator Carr.

Senator CARR—What did you say?

Senator Kemp—It is just another silly political attack from you, Senator, and I am not prepared to allow the officer at the table to respond to that.

CHAIR—I am sure there are more important issues to deal with, Senator Carr.

Senator CARR—Mr Manson, before the authority put out its press release welcoming Mr Lindsay's call for 25 per cent of the park to be 'protected'—I will use that word advisedly—in his so-called green zones, was the authority aware that Ms Barker had donated so heavily to the Liberal Party?

Senator Kemp—Senator, that is not an appropriate question. It is just another attempt in your rather thuggish approach to Senate estimates, which I do not accept. If you want to ask these questions, I am happy to respond, and we will respond right through until dinnertime and after dinnertime.

Senator CARR—I am pleased to hear that you are so cooperative. Could I ask you, Minister, if you could then take this on notice, because I am sure you will need to: can you detail the point at which any member of the authority or its board had discussions with Mr Lindsay prior to the release of the authority's press statement in support of Mr Lindsay's call for a 25 per cent close in the marine park into so-called green zones?

Senator Kemp—Senator, put it on notice.

Senator CARR—I have just done that. I would ask when those discussions took place. In particular, could I have a chronology of those discussions? Was the authority's supporting press release in fact distributed to the media on the same day that Mr Lindsay's press release was distributed to the media?

Senator Kemp—We do not have that information.

Senator CARR—I am asking the authority.

Senator Kemp—That is all right. If Mr Manson feels able to respond, he can.

Mr Manson—I think I should take that question on notice, because, with the timing of the media coming out in the morning and press releases going out in the afternoon, it may well be the same day. Whether it was before or coincident is a matter which I will look into.

Senator CARR—Could I ask Mr Manson, if this is the case—as I am suggesting to you—and the releases were issued on the same day, were they issued after consultation with Mr

Lindsay? Was your press release issued after consultation with Mr Lindsay or did it arise spontaneously?

Mr Manson—I think I would have to take that question on notice.

Senator CARR—Thank you very much.

Mr Manson—I did not write or release the press release and, while there is a normal protocol for press releases within the agency, I would need to go back and have a look what happened.

Senator CARR—I was just checking with my colleague. I note that, while there seems to be quite close contact with Mr Lindsay, a Labor senator who is based in the region with the authority does not seem to be able to score an invitation to your consultations. Is this just a coincidence?

Senator Kemp—If Senator Jan McLucas would like a briefing, I am sure that can be arranged for her.

Senator McLUCAS—We could go into a story about briefings, Senator, but we will not.

Senator Kemp—We would actually welcome some genuine interest from the Labor Party on this issue.

Senator CARR—It would help if you actually invited the Labor Party to these functions. The question arises as to whether or not the Great Barrier Reef Marine Park Authority is acting in a party political manner. That is the point I am putting to the authority.

Senator Kemp—If that is the point you are putting, you are labouring it pretty hard and it is not convincing me one bit.

Senator CARR—I look forward to your answers.

Senator McLUCAS—Can we go to the area of nine-day closures for coral trout, please. Can you tell me where we are up to with the nine-day closure project? I am wanting to canvass the issue of the management plan for coral trout which includes the nine-day closures.

Mr Manson—I will give an overview. The Queensland government is responsible for the fishery management plan. I understand that there is a draft plan being prepared which we anticipate might be released in July. We would expect that that draft plan will deal with a large number of issues, including the potential for nine-day closures. I will refer the nine-day closure and where that is up to to our director of fisheries, Dr Cadwallader.

Dr Cadwallader—The Queensland Fisheries Service will release this draft plan in July, and part of the management arrangement proposed in that plan is three nine-day closures about the time of the new moon in October, in November and in December to protect spawning aggregations of fish at that time. That is a proposal at this stage in the draft plan and that will be released for public comment in July.

Senator McLUCAS—What is the formal role of the authority in that process of consulting that management plan?

Dr Cadwallader—We have a representative on the Queensland Fisheries Services' Reef Fish Management Advisory Committee and we provide our input in that sort of forum.

Senator McLUCAS—Do you have to accredit it?

Dr Cadwallader—The plan will be assessed under EA's assessment of ecological sustainability for fisheries and the development of the plan is in tune with that sort of process.

Senator McLUCAS—Does GBRMPA do that accreditation or does EA?

Dr Cadwallader—EA would do that accreditation but we work very closely, as you might imagine, with EA on those matters. In trying to influence Queensland about what is in the plan we have regard to that process of assessment of ecological sustainability.

Senator McLUCAS—I realise you are not the lead agency, but has GBRMPA done any work on the impact on certain sectors of the industry that may be affected by these changes, in particular the game fishing industry or the recreational fishing industry?

Mr Manson—I will answer that question. We have certainly had consultation with the industry at the Mackay annual charter fishing and boat meeting. I have attended that on two occasions and this year we attended again with our fisheries people and with people from the Queensland Fisheries Service and other departments. There was considerable debate about the nine-day closure proposal at that meeting. We have consulted, and we continue to consult, particularly with those permit holders in the Great Barrier Reef Marine Park who are in the tourist industry and where this matter is of particular interest to them as our permit holders, and we will work closely with them to represent some of their interests in the final outcome.

Senator McLUCAS—What species of fish are going to be included in the nine-day closure group?

Dr Cadwallader—The closure would be for all fish in the reef line fishery.

Senator McLUCAS—All reef line fish?

Dr Cadwallader—Yes.

Senator McLUCAS—How will the community become aware of the closures and the species of fish or bottom fish—let us call it that—that will not be allowed to be taken.

Dr Cadwallader—If this management arrangement is finally agreed and becomes part of the plan, it will be well advertised. It is like, for example, the three-month closure on barramundi fishing in Queensland, and that is well accepted now as part of normal practice in fisheries management. If the three nine-day closures are accepted, they will be well advertised and become part of the fisheries regulations that people will adopt into the future. There is still a long way to go yet. There is a long period of public consultation after the release of a draft plan in July before those arrangements may be put in place.

Senator McLUCAS—Is GBRMPA concerned about the ability to enforce this management plan?

Mr Manson—The enforcement would primarily be the role of the Queensland Fisheries Service.

Senator McLUCAS—I am aware of that but GBRMPA must be interested.

Mr Manson—GBRMPA's overall interest in this is to prevent serious environmental harm to the sustainability of ecosystems in the world heritage area and that is our prime responsibility. So in taking part and commenting on the draft plan we will be quite insistent that a plan which is accepted is acceptable to the long-term sustainability of the world heritage values and the marine park.

Currently we have, during this last year, increased our enforcement and compliance program significantly to target taking in a green zone particularly related to a reef line fishery, and I can report that we have information in relation to some 30 fishermen or dories attached to the fishing boats operating in green zones. I cannot comment any further because they are beginning the process for enforcement and compliance and may be subject to court hearings

later on. What I am suggesting is that we have a compliance program in place already which will allow us to enforce whatever outcomes of the Queensland fishery service plan are finalised.

Senator McLUCAS—Has GBRMPA made any comment to Queensland Fisheries Service about the ability of Queensland fisheries or whomever to actually enforce or ensure compliance with the plan given the nature of the management strategy?

Mr Manson—I might ask Phil, who sits on the various committees in Queensland, to comment on that.

Dr Cadwallader—In relation to that issue of developing management arrangements, very serious consideration is given to how well those conditions can be enforced, so compliance is a big issue. There is not much point making rules that cannot be enforced on the water, so that is a very serious consideration in the development of the management arrangements, and the feeling is that, yes, they can be enforced.

Senator McLUCAS—They can be?

Dr Cadwallader—Yes.

Senator McLUCAS—Thank you. I might leave that there and defer to Senator O'Brien.

Senator O'BRIEN—I wanted to ask some questions about the closure of the trawling area on the inshore areas off Mission Beach. I wanted to go through the process followed in assessing what action is required to deal with that problem, associated with bycatch in the area, as I understand it. Does the recommendation come firstly from the local marine advisory council?

Mr Manson—A recommendation for what?

Senator O'BRIEN—In relation to the action GBRMPA takes.

Mr Manson—Dr Cadwallader can give you an outline of the process of how the trawl decision came through and where it began, as he was intimately involved with it.

Dr Cadwallader—The original advice in relation to the Mission Beach trawl closure came from local marine advisory committees made up of community members along the coast who had been involved in witnessing fish kills as a result of discards from trawlers operating in the area for some 20 years. The last straw, as far as the local committee was concerned, was in May 2001, when there was a slick of discarded fish on the water from trawler operators that extended between 600 metres and one kilometre wide and from 3½ to four kilometres long. This was in a prime tourism area, and at that stage the local community said, 'We have had enough of this. Why don't you do something about it?'

Senator O'BRIEN—How many local marine advisory councils were involved in that?

Dr Cadwallader—The two local advisory committees involved were the ones based at Mission Beach and at Hinchinbrook.

Mr Manson—I should make it clear that the advisory committees do not propose these matters to us. The community concern was expressed from a variety of community groups, one of them being the advisory group, which are part of the authority structure to get input from the community. It was then GBRMPA's role to consider that community concern and propose resolution of it through to the minister, in this case, because of the relationship with the presentation of regulations to bring about an outcome.

Senator O'BRIEN—Where do the two LMACs sit in that process? Do they have to initiate it, or are they part of a filtering system, or do they have matters referred to them for consideration?

Mr Manson—There is only one statutory committee, the Great Barrier Reef Consultative Committee, which is quite a high-level committee. Underneath that, we have advisory groups which are purely there as expert advisers to give advice to our critical issues groups such as fisheries, water quality and so forth. Underneath that again, we have local district operational people, people in the community on the ground. Those people are selected because they have some expertise or interest in marine operations within an area. They are not statutorily based; they are just there to assist us with the communication required on a daily/weekly basis with the communities that are most affected by management regimes in the marine park.

Senator O'BRIEN—How many LMACs are there?

Mr Manson—We have nine LMACs.

Senator O'BRIEN—Where are they based?

Mr Manson—At Gladstone, Hinchinbrook, Townsville, Mackay, Cairns, Port Douglas, Mission Beach, Whitsundays and Cooktown.

Senator O'BRIEN—In this case, the two LMACs you mentioned were at Mission Beach and Hinchinbrook. At the relevant time, who was on the two LMACs? Who are they appointed by?

Mr Manson—By the chair of the authority.

Senator O'BRIEN—For a term?

Mr Manson—Yes, the term runs out in three years and the terms all come up for renewal early in the new year.

Senator O'BRIEN—How many people are on each committee?

Mr Manson—It varies from committee to committee, but we try to keep it between nine and a maximum of 12 persons. In some cases, though, there are up to 20 persons.

Senator O'BRIEN—That is just a wider variation. This is a difficult appointment.

Mr Manson—The variation essentially reflects the nature of particular areas. Some of the more remote areas like, for example, Gladstone, have smaller committees. In areas around Cairns and Townsville, where you have large population centres, there is a wider variety of people who have a direct interest or who wish to be involved. As I said, the primary purpose is to interact with local people on issues of local concern and to get some two-way communication with our main stakeholders in each area.

Senator O'BRIEN—Is an advertisement placed? Do people nominate and there is an appointment made from that?

Mr Manson—I understand that is the normal procedure.

Senator O'BRIEN—Does the advertisement usually state the number of people to be appointed?

Mr Manson—I would have to take that on notice. I am not totally familiar with the administrative arrangements. The committees have terms of reference and an administration charter. If you wish, I can make that charter available.

Senator O'BRIEN—Okay. Are you able to tell us now, or would you supply on notice, the names of the people on the two LMACs we are talking about—Hinchinbrook and Mission Beach?

Mr Manson—To be correct and up to date with who is on those committees, I would prefer to give you that on notice. It could probably be provided fairly quickly.

Senator O'BRIEN—That is fine. You have described generally the process that led to GBRMPA making the decision for the area to be closed. What technical scientific work was undertaken by GBRMPA, any of its advisory committees or the LMAC in relation to this proposed closure?

Mr Manson—As I understand it, the main reason was that a large number of dead fish in a community which relies on tourism was unacceptable to that community. It also reflects poorly on the management of the World Heritage area to the national and international visitors using the area.

Senator O'BRIEN—I take it that the LMAC made a complaint and GBRMPA acted upon it; it did not go through some technical committee to be reviewed. Is that what you are saying?

Mr Manson—These activities had been going on for many years, and there had been a range of discussions between the various groups. It was brought to a head when, despite agreements between the trawler men and the local community, the events continued to occur. As a result of a large and significant event soon after apparent agreements were in place to ensure that fish kills did not run up on the beach, my understanding is that we had to act because there was very significant concern. We prepared a report and advised the—

Senator O'BRIEN—Who is 'we'? Who prepared the report?

Mr Manson—I might refer to Phil as to exactly how the report was prepared. Like any management issue, we would normally prepare an internal report.

Dr Cadwallader—It was in the form of a recommendation to the minister at the time about action that we felt was required.

Senator O'BRIEN—Was there any consultation with industry groups about the form of the recommendation?

Dr Cadwallader—Industry groups were present on the LMACs. As well, there was discussion with trawler operators at Innisfail, which members from Townsville and Cairns attended. The proposal was discussed at the Queensland Fisheries Service's trawler management advisory committee and the Great Barrier Reef Marine Park Authority's fisheries reef advisory committee. So there was extensive discussion about a proposal for a closure to trawling off Mission Beach.

Senator O'BRIEN—Was that before you presented the recommendation to the minister?

Dr Cadwallader—Yes, it was before that.

Senator O'BRIEN—Could you give me on notice the details of that consultation process?

Dr Cadwallader—Yes, we can provide the details of the dates of that.

Senator O'BRIEN—I take it the minister implemented your recommendation?

Mr Manson—The recommendation was accepted by the minister and then, as I think we are all aware, there was an amendment from the minister which reflected his consideration of other input. The final outcome is that the original area that we proposed has been reduced

somewhat but only in a small area. But if the issue of prime concern continues—that is, should we receive further reports of the problem of fish kills continuing—then the minister has suggested he would review the area that he has allowed to continue to be open, which is different from the original proposal put to him by GBRMPA.

Senator O'BRIEN—In terms of the history of the dead fish pollution, if I can call it that—there was a history of it over a period of time, as I understand it—there were discussions with the Queensland prawn trawling industry. Was it the Queensland Seafood Industry Association?

Mr Manson—Yes.

Senator O'BRIEN—And they agreed that there should be a better management of the bycatch. Was there a gap between that agreement and this spill or was it almost immediate?

Dr Cadwallader—The local operators agreed to put in place a code of conduct to apply to how trawlers might operate in the area. But this was a voluntary code that members of the industry could choose to adopt or ignore. As it turned out, people chose to ignore that code.

Senator O'BRIEN—The industry tell me that the people responsible were not the usual fishermen in that area. Is that right, to your knowledge?

Mr Manson—I am not sure that we have definitive knowledge of that—Phil might wish to correct me—but they are the rumours that we have heard back and the claims made by some individuals. I am not sure that there is definitive proof, unless Phil would like to enlighten—

Dr Cadwallader—I think the issue is that a trawl endorsement on the east coast of Queensland allows a trawler to operate along the whole of the east coast of Queensland. So, even though locals may have known the code of practice, it is not incumbent on other fishers to adopt that.

Senator O'BRIEN—Did the GBRMPA board endorse a recommendation to the minister?

Mr Manson—I would like an opportunity to correct myself if I am not fully informed on this, but my understanding was that the board would have been advised whether they made a formal decision on this prior to it going to the minister. I am unsure of that, so I would like to take that on notice and come back to you with the exact process of the approval that was required and what actually happened.

Senator O'BRIEN—Can you tell me when the recommendation went to the minister?

Mr Manson—I understand the submission to Senator Kemp went in February this year.

Senator Kemp—I think that was Dr Kemp.

Senator O'BRIEN—It may have gone to Senator Kemp, but he would have sent it on to Dr Kemp.

Mr Manson—It was Dr Kemp, yes.

Senator O'BRIEN—Do you have a date in February?

Mr Manson—No, I do not have the exact date, or those papers with me. I will have to take that on notice.

Proceedings suspended from 4.00 p.m. to 4.14 p.m.

Senator O'BRIEN—The area that was originally proposed as a natural area went down to Cardwell and Rockingham Bay but, from the map that appeared in the *Australian*, it appears that it was subsequently reduced and went down from the point above Kurrimine Beach to

Tully Heads. I am not sure of the distance out from the coast to the reef. What was the basis of selecting that area?

Mr Manson—The basis for the original area?

Senator O'BRIEN—The proposed no-trawl area.

Mr Manson—I will ask Phil to briefly summarise how they selected the area.

Dr Cadwallader—One of the problems with the fish kills was that the prevailing winds are from the south-east. With any trawlers targeting prawns in shallow waters in Rockingham Bay, there is a lot of evidence, both historically and anecdotally, from the people who live at Tully Heads and Hull Heads, that the discards from the trawlers operating in those areas are washed up on beaches south of Mission Beach. That was the basis. Rockingham Bay contains large areas of quite shallow water, and when the tides and the winds are right the discards from the trawlers do not sink in that area but get washed up on the beach.

Senator O'BRIEN—Having excised that area from the no-trawl area, what has been the experience of the area of coast from Cardwell through to the point above Kurrimine Beach with regard to bycatch pollution?

Dr Cadwallader—Since the closure?

Senator O'BRIEN—Yes.

Dr Cadwallader—There has been very little trawl activity in that area to date. The prawn fishery, of course, is very variable. It depends on whether the prawns are on at a particular time. To my knowledge, there has not been any intensive trawl effort in that area since the Mission Beach closure was introduced.

Senator O'BRIEN—Will that commence on a seasonal basis?

Dr Cadwallader—The trawl season is open at the moment, and if the word was to get out that the prawns were in that area we would anticipate that trawlers would target that area.

Senator O'BRIEN—I take it that GBRMPA has no confidence in any voluntary bycatch management arrangement with the industry?

Dr Cadwallader—In relation to trawlers, all trawlers that operate in the marine park must have fitted devices to reduce bycatch. The effectiveness of these bycatch reduction devices varies in different prawn fisheries. They are not as effective in inshore fisheries as they are in offshore fisheries. Nevertheless, they are mandatory now in the Great Barrier Reef Marine Park. As I mentioned earlier, they are not very effective in shallow inshore waters.

Senator O'BRIEN—The other side of it is: what do you do with the bycatch once it comes on board the vessel if it is dead fish?

Dr Cadwallader—To a large extent, the CSIRO study that they did for us on the impact of trawling in the marine park indicated that, for every tonne of prawns taken, there are six to 10 tonnes of bycatch that is taken which is discarded overboard. In the circumstances in shallow water, that material tends not to sink and get eaten by other things in the system but to wash up on beaches.

Senator O'BRIEN—So it is not so much non-trawl off Mission Beach; it is non-trawl down around Rockingham Bay?

Dr Cadwallader—Currently that area is open to trawling. The minister gave an indication that if there was evidence in future of fish kills caused by trawling in that area, he would consider extending the closure.

Senator O'BRIEN—Was there regular trawling off the Mission Beach area?

Dr Cadwallader—Yes, it was variable. The trawler fleet in Queensland is very mobile and it tends to target different prawn species when they are on the go in particular areas. When prawns were available in the Mission Beach area, they would be targeted from time to time.

Senator O'BRIEN—Does the authority have any information on the regularity of prawn trawling in the area off Mission Beach that is now a no-trawl area?

Dr Cadwallader—Yes, there was a study undertaken by the Reef CRC on the socioeconomic impacts of fishing along the coast, where fishermen were based and where they operated. That provided some information in this instance about the number of fishers who lived and worked locally. The evidence from that was that most trawler operators do roam, in the terms of the study, and cover quite large distances, but a very small number targeted that area and lived in that area.

Senator O'BRIEN—A very small number of those who live in that area target that area. Is that what you just said?

Dr Cadwallader—That is for trawling, yes. So six or seven out of some 100 or so boats. Most of the boats that target that area come from outside the area.

Senator McLUCAS—Is Innisfail in that area?

Dr Cadwallader—Yes, Innisfail is the nearest port to that area. Most of the boats that operate out of Innisfail are quite wide ranging. So, although they might fish in that Mission Beach area, they also fish in other areas as well; they do not rely exclusively on that area, generally.

Senator McLUCAS—Where are the six or seven who basically fish in that area located?

Dr Cadwallader—They would be located either in Cardwell or Innisfail—perhaps as far south as Lucinda.

Senator O'BRIEN—What you were saying, as I understood it, was that six or seven of the locals fished in that area. But others fished in that area who were not local.

Dr Cadwallader—Yes. The trawler fleet is very mobile and trawlers can come from anywhere along the east coast to trawl in that area.

Senator O'BRIEN—But you do not know how many others? Are we talking about six or seven boats being excluded? Are we talking about 30 or 40 boats being excluded?

Dr Cadwallader—All trawling is excluded from that area now.

Senator O'BRIEN—Sure, but in terms of regular use, what I am trying to find out is whether we closed a fishery for six or seven boats, effectively, because that is who trawled there historically.

Dr Cadwallader—No, I think you have to see this in context. Most banana prawns in Queensland are taken south of that area. It is not the area where most of the banana prawns in Queensland are taken, and it is extremely variable.

Senator O'BRIEN—Did you set out the case for the area to be banned in the material in support of the proposed ban that the minister mentioned in his press release on 8 February? I think that is what you said earlier and that he adopted your case.

Dr Cadwallader—Yes.

Senator O'BRIEN—Was there any consultation between GBMPA and industry regarding the area to be closed between the announcement on 8 February by the minister and the announcement on 22 February by the minister?

Dr Cadwallader—There was consultation between senior staff at GBRMPA, the Queensland Seafood Industry Association and the minister during that period.

Senator O'BRIEN—Have I got the date right? Was the second announcement on 22 February?

Mr Manson—As a matter of clarification, the first brief we provided to Senator Hill on 20 August. There was an election. We provided to Dr Kemp a submission on the same issue on 3 January. He made a decision to approve on 5 February. Then, on 22 February, we provided a further submission which included material from the consultation, no doubt, and the minister made his second decision on 22 February.

Senator O'BRIEN—On the 22nd?

Mr Manson—Yes.

Senator O'BRIEN—He provided it on 22 February?

Mr Manson—That is my understanding at the moment.

Senator O'BRIEN—So the matter was closed on 22 February? All the negotiations or whatever had occurred, and the minister had revised his decision and made it?

Mr Manson—We provided the final advice on the 22nd and he did make his second decision on the 22nd.

Senator O'BRIEN—Of February?

Mr Manson—Yes.

Senator O'BRIEN—So there was not a compromise position reached on 26 February, because it was all over by then, wasn't it?

Mr Manson—I am not aware of any particular activity on the 26th; it does not come to mind. My understanding was that the minister had other considerations between the 5th and the 22nd and our second advice to him on the 22nd. Then he made a decision on the final outcome on the 22nd.

Senator O'BRIEN—In his press release of 1 May, Senator Boswell, the parliamentary secretary to the Minister for Transport and Regional Services, says:

In support of the QSIA, we reached a compromise position on February 26 ...

I take it that the position was resolved before 26 February so that could not have happened.

Mr Manson—It is difficult for me to comment on what happened between two ministers between the 22nd and the 26th and why that date was in the press release you have. The dates that I have given you there about the 22nd were from our notes here. It might be best that I go back and actually check that our dates listed here—

Senator O'BRIEN—I have a copy of the minister's media release of 22 February. I do not doubt it because it says in part:

The closure will enable continuation of trawling in sections of Rockingham Bay, consistent with the effective protection of Mission Beach.

The Minister said he had not seen convincing evidence that Rockingham Bay was a source of the problem at Mission Beach.

That is contrary to what you are telling us, Dr Cadwallader.

Dr Cadwallader—I think it was the minister's decision after speaking with industry. Industry assured the minister that they could guarantee that trawlers which operated in Rockingham Bay in future would not cause fish kills.

Mr Beale—I think, to be fair, the minister spent a lot of time going through and examining the Great Barrier Reef Marine Park Authority's advice, including its technical advice, and wished to focus his decision specifically on Mission Beach, not on other beaches and not on other areas of the park. I believe that, at the end of the day, he had discussed with the authority the position that, if you were focusing particularly on that beach, closures off that beach were the critical item. He further undertook that if problems nevertheless emerged in the future—and the industry gave an assurance that no more fish kills would occur in the adjacent areas—if extensions to the closure were required to prevent the recurrence of fish kills, then extensions would be made. This is very much on the basis of the future performance.

Senator O'BRIEN—Yes, I can see that; I have the same press release or statement that I think you are reading from. I was just commenting that Dr Cadwalladar gave us some evidence about prevailing winds and shallow waters in the particular area of Rockingham Bay and the propensity for fish to wash up on the coast, driven by the wind—they did not sink to the bottom in those areas. I just made the point that the minister did not seem to accept that evidence. In his press release he said:

... he had not seen convincing evidence that Rockingham Bay was a source of the problem at Mission Beach.

I simply commented on that.

Mr Beale—Exactly so; he examined the evidence and the officials very closely before reaching that conclusion.

Senator O'BRIEN—That is all I have on this matter. Thanks very much for your assistance.

Senator McLUCAS—I have a question on the Mission Beach closure. At the last estimates, Mrs Chadwick said:

We have given an assurance that it is not our intention to stop the collection of brood prawns for aquaculture.

We went on to discuss that and she was unclear how we were going to do that. Has that work been progressed in any way?

Mr Manson—It certainly has. We did make that assurance and with the regulations there is a mechanism for the selection of those parties who will be able to undertake the continuing collection of brood stock for the aquaculture industry. That process is reasonably well advanced, I understand.

Senator McLUCAS—How will they collect those prawns?

Mr Manson—Phil might best tell me how they actually collect the prawns.

Dr Cadwallader—There is provision for up to five permits to be issued and the mechanism for collecting is modified trawl gear—very small trawl nets with very short tows for 10 to 15 minutes, with provision on deck to return all bycatch alive to the water and just to retain live brood stock. If there is any evidence of fish kills as a result of this exercise, the permits will be cancelled.

Senator McLUCAS—What research has GBRMPA accessed to inform that type of methodology?

Dr Cadwallader—The people who have targeted live brood stock previously have used these quite selective methods to keep the product alive. You can imagine that, if you are collecting prawns to keep alive, you would treat the whole process very differently from one where you are just catching prawns to be processed and frozen.

Mr Manson—Mr Chair, I might take this opportunity to provide those visitor numbers to Senator McLucas. In 1999-2000 our annual report provides the figure of 89,840 visitors to Reef HQ. In 2000-01 the figure dropped to 81,274.

Senator McLUCAS—Thank you.

Senator BARTLETT—Just on the Mission Beach matter: I realise the closure flowed on from a fair bit of agitation locally, but was the rationale behind it because of the amenity or visual problems of having bycatch washed up in a tourist area?

Mr Manson—Yes. Apart from the ecological impacts on the natural resources and biodiversity, such fish kills caused by trawling have had an impact on the recreational amenity of a pristine tourist area and the reputation of GBRMPA as a guardian of a World Heritage area. So, largely, one of the criteria was this amenity and tourism issue.

Senator BARTLETT—So it is not so much the impact of that sort of degree of bycatch in terms of environmental consequences?

Mr Manson—We are always concerned about those issues, but in this case the priority matter was the management of bycatch.

Senator BARTLETT—I have a couple of other fishery related questions. The deepwater trawl fishery was given an exemption from using turtle exclusion devices until the end of 2001. Has that exemption now expired?

Dr Cadwallader—Yes. Turtle excluder devices were mandatory in the Great Barrier Reef Marine Park as of 1 January 2001.

Senator BARTLETT—So all the deepwater trawlers now carry TEDs?

Dr Cadwallader—It is mandatory for them to carry TEDs.

Senator BARTLETT—Are trawlers still catching pipefish? I think they are called Syngnathidae.

Mr Manson—Yes. As part of the trawl process they do from time to time.

Senator BARTLETT—Do they have an export licence for them?

Mr Manson—I might direct that question to Environment Australia's representative. The matter has been under some close management and they are more closely involved with this particular issue.

Mr Flanigan—We are currently going through a process with Queensland Fisheries Service, the fishing industry and a number of conservation groups to investigate the issues associated with the pipefish catch in the fishery.

Senator BARTLETT—Are they listed as threatened species federally at the moment?

Mr Flanigan—They are listed marine species. That is a different list from threatened species. It includes quite a wide range of species that are there because they have a particular conservation interest, not because they are necessarily threatened.

Senator BARTLETT—Do you know what numbers are being caught inside the marine park at the moment?

Mr Flanigan—Through the years there has been monitoring undertaken as a result of exports of this product that has been taken as bycatch. I am afraid I do not have those numbers with me here but there is a report that has been prepared by Griffith University on the scale of those catches.

Senator BARTLETT—Are you able to provide those figures for us?

Mr Flanigan—Yes.

Senator BARTLETT—That would be good. Is it correct that there is no licence requirement for recreational fishers inside the marine park?

Mr Manson—That is correct.

Senator BARTLETT—Do you have the authority to impose a licence requirement if you so choose?

Mr Manson—Upon recreational fishers? To my knowledge, the regulations in their current form do not give us that ability.

Senator BARTLETT—So you would have to introduce some regulatory change?

Mr Manson—That is my understanding. I might need to confirm that for you later.

Senator BARTLETT—Do you keep track of the estimated total take of fish by recreational fishers?

Mr Manson—Yes, through the Queensland Fisheries Service and organisations such as Sunfish and others that keep very detailed records of their fish catch. Generally those records are made available to the various committees that are looking at individual fish stocks.

Senator BARTLETT—Are there any areas in the marine park where you believe that recreational fishing is having an environmental impact, either in terms of specific species or the overall ecosystem?

Mr Manson—I might ask our fisheries director Dr Cadwallader to give an outline of any areas he believes are under threat.

Dr Cadwallader—Local area depletion of some species in the reef line fishery is an issue of concern and that is one of the issues that is being addressed in the reef line management plan that Queensland Fisheries Service will produce a draft of in July for public comment. Many species in that fishery, such as coral trout, for example, are targeted by commercial fishers, recreational fishers and charter fishers. Even though they use the same methods, the impact on a local area can be quite strong. The management plan is looking to address that issue of local area depletion.

Senator BARTLETT—Do you get any sort of royalties or resource rent payment from line fishery?

Mr Manson—No, we do not.

Senator BARTLETT—What about the trawl industry?

Mr Manson—No. The fisheries management is under Queensland legislation. Essentially, the marine park authority does not collect any fees in relation to fisheries.

Senator BARTLETT—But you still have responsibility for monitoring and managing what is done.

Mr Manson—We have responsibility to ensure that fisheries management within the World Heritage area does not threaten or damage the World Heritage values or the ecological sustainability of the marine park and its systems. It is from that basis that we have had concerns on a number of issues and press our case very deliberately with the Queensland government.

Senator BARTLETT—You recently released a report indicating pretty extensive coral bleaching in the marine park, or on the reef itself. From my reading of it, that seemed to say that this was worse than the bleaching event of a few years ago. Is it correct that this was a more severe outbreak of bleaching?

Mr Manson—Our current estimate is that it is as bad. To put you in the picture a bit further, the Australian Institute of Marine Science, NOAA and GBRMPA, in consultation with the CRC Reef, have a monitoring program which responds to the satellite images of sea temperatures. This year, there was a significant pool of very warm water which extended across the major part of the reef. Our assessments, which have been by air and scuba diving, and using the community, tourism boats and other people to give us data, indicate that some 58 per cent of reefs have suffered some sort of injury from coral bleaching. Then again, some of those have been more seriously hit than others.

We will not know for a couple of months whether, on some of those reefs impacted by coral bleaching, the corals will die or not. The only way to do that is to get under the water. Our aerial techniques are not available to us to do large area scans. It will be a number of months before we can categorically decide whether this is a worse event. But, luckily, while the activity is so widespread, we have not had complete areas very seriously impacted.

Senator BARTLETT—Is it more severe in the inner reef rather than the outer reefs?

Mr Manson—Not necessarily. I have detailed figures here, which I can make available to you, of area of reefs and reefs by category of bleaching. I do not wish to read the tables out, but, in essence, some of the inner reefs in particular areas have been harder hit than the outer areas—particularly around Bowen, for example.

Senator BARTLETT—Are you actively re-evaluating management of other activities that might impact on the reef, given the stress occurring as a result of bleaching?

Mr Manson—Once the reef is stressed, our activities in the water quality area are most significant. It is unlikely that we will be able, or that it will be necessary, to undertake broad management actions, as a result of this bleaching event, to help our marine tourism operators or do anything particular in the environment, because most of the activity is intermittent and widespread, although severe.

Senator BARTLETT—Does the severity of the bleaching create any extra urgency in other areas, like your water quality targets?

Mr Manson—We are treating water quality targets as an urgent issue, separate to coral bleaching. I think it is difficult for us to link the two together so directly, to say that coral bleaching then increases the priority on water quality. I am not sure I can make that logical connection.

Senator BARTLETT—I will move on to another issue, Senator McLucas, so feel free to jump in if you are on the same topic.

Senator McLUCAS—I want to move to the application by TGS-NOPEC for oil exploration in the Townsville Trough. Did GBRMPA make a submission on the EIA guidelines for TGS-NOPEC's application for seismic testing in the Townsville Trough?

Mr Manson—GBRMPA have provided some verbal advice and reviewed the terms of reference for the environmental assessment, the limit of our role being our interests in protecting the World Heritage properties. I might ask Mr Gerard Early to confirm where that process is up to, because GBRMPA's role is to give advice and look after our own interests in this matter, and we are doing that by providing advice to EA.

Senator McLUCAS—But you did not make a written submission on the guidelines?

Mr Manson—I am not sure that we needed to, because we were involved in discussions at officer level and we were satisfied that all of our requirements were largely met by the draft terms of reference. So there was not much we could add, because we were already satisfied with Environment Australia's guidelines for the change of reference.

Senator BARTLETT—There was a fair bit media coverage a month or two back, particularly in the *Australian*, in relation to the broader pattern of oil industry interest in the marine park region and further offshore. That included claims about some of the aspects of the Ocean Drilling Program and some of the cruises of the *Rig Seismic* undertaking oil prospecting in the guise of scientific research. Has the authority examined those claims, or investigated them in any way since they were published?

Mr Manson—My understanding is that we were satisfied that our role in giving permits or approvals for scientific work was certainly done in good faith. Some of the data that is available, no doubt, may be used inappropriately by others, if 'inappropriate' means for the purpose for which it was not collected. Largely that may well be beyond our control. We examined the permits but I would not say we did an investigation. We simply reassured ourselves at the time that we issued our permits that the process was for scientific purposes.

Senator BARTLETT—You say you issued them in good faith, which I do not dispute, but, after the fact, is there any need to re-examine your processes? Would there be any benefit in a tightening of regulations to ensure that any drilling or seismic testing is purely scientific?

Mr Manson—I think if we were looking at another proposal for scientific drilling, we would be very sensitive to the issue and ensure that the conditions we put on the permit were entirely adequate to ensure that the data was not misused.

Senator BARTLETT—If there were any future application for a permit for that sort of activity, would that be something that the authority would ensure was made public before any permits were issued?

Mr Manson—I am not sure that I can guarantee that without an application or a real permit situation in front of me because of commercial-in-confidence issues in relation to some research material which might be retrieved by the people doing the science. We could certainly consider whether the permit conditions should be made public.

Senator BARTLETT—Are you saying that someone could make an application for drilling or seismic testing inside the marine park and it will not necessarily be made public knowledge that that application has occurred—I do not mean all the details of the application—until the permit has been issued?

Mr Manson—The minister has made quite clear his view on drilling or testing in relation to oil: it is prohibited under the act and the regulations. Where there is an activity relating to scientific exploration which may benefit the park, that material would most likely end up on the public record because it is being collected for the prime purpose of furthering the scientific knowledge of the processes which formed the marine park to help us manage it in the future.

Senator BARTLETT—I am told that the 1998 Australian Committee for IUCN *State of conservation* report section on the Great Barrier Reef World Heritage area contained a statement saying:

... the Government has commissioned a preliminary environmental assessment by the Great Barrier Reef Marine Park Authority of the likely impacts of oil exploration adjacent to the Marine Park ...

Has that report been commissioned or has any sort of study like that been done?

Mr Manson—I am sorry; I do not have any recollection of that matter being followed through. I would have to take the question on notice; I simply do not recall.

Senator BARTLETT—I will see whether I can get a copy of the relevant page from the report. Has there been any assessment? Does the authority have any view about the impacts of an offshore oil industry outside the marine park?

Mr Manson—I think the minister has made clear his view that, for any assessment of such activities outside the marine park, one of the key considerations in issuing a licence or permit under EPBC would be any potential environmental harm or threat to the values of the World Heritage area. Furthermore, they would also have to satisfy Queensland legislation and get a permit from the Queensland government. So there are, in fact, two layers of protection there which would assist us to ensure no damage from such activities occurred in the marine park or the World Heritage area.

Senator BARTLETT—And you would provide a view or be consulted in relation to any of those types of activities, I would assume?

Mr Manson—We normally provide a view to any terms of reference where we have an opportunity in those processes for preparing EISs. We would make sure that our statutory concerns under the act are given every opportunity to be submitted to the process wherever it is being assessed, be that through the Queensland government or through Environment Australia.

Senator BARTLETT—I have heaps of questions to get through, but a bit of variety would not hurt.

Senator McLUCAS—I have one last question on TGS-NOPEC. Has GBRMPA done any analysis of measures to prohibit oil exploration or drilling in the Townsville Trough?

Mr Manson—GBRMPA would not have done any analysis to my knowledge. The matter is outside the marine park and there has not been a formal application prior to the current one, to my knowledge. I am not aware of any formal analysis being done. It is largely in the Commonwealth waters outside the park, and Environment Australia would normally be the lead agency in relation to that. I do not know whether Mr Early has anything significant to add to that.

Senator McLUCAS—I was asking if GBRMPA had done any analysis of any measurement that could be used to prohibit oil drilling or prospecting in the area known as the Townsville Trough? Has your branch considered anything other than looking at the EPBC?

Mr Early—No, a controlled action under the act is subject to the assessment processes under the act, and that will be the means of doing that.

Senator McLUCAS—I suppose I am looking for something pre-emptive or proactive from either GBRMPA or your department which would look at measures that would avoid us having to go through this whole process of seismic testing or the EIA and then the testing and whatever may follow after that.

Mr Early—There is no way to avoid it if the company refers the proposal under the EPBC Act and wants to go ahead with going through the processes.

Senator McLUCAS—There is no legislative way?

Mr Early—No.

Senator McLUCAS—Interesting. I have a very quick question about the crown-of-thorns starfish. At the last estimates we were talking about the allocation to the crown-of-thorns removal program that AMPTO is running. Can you advise me which output in the budget that \$700,000 over two years is going to come from?

Mr Manson—The Prime Minister's announcement for \$700,000 was over two years. We are in the first year; the second year will, in fact, begin in the next financial year. An amount of \$350,000 was made available from the Department of Industry, Science and Technology portfolio under a grant scheme that they had. GBRMPA has funded \$350,000 over two years from within its normal operational budgeting process, and that is reflected in our tourism and recreation budget in its operating area.

Senator McLUCAS—So we lost that fight, did we?

Mr Manson—It would have been nice if somebody else had made funds available but under the circumstances—

Senator McLUCAS—It would have been much nicer for it to come out of EA than to come out of GBRMPA. Never mind. Thank you for that. I would like an update on coral and aquarium fish collecting.

Mr Manson—Sorry, the coral reef fishing?

Senator McLUCAS—Coral and aquarium fish collecting. There was some discussion about banning it. Where are we up to with that?

Mr Manson—I might ask Phil to handle that.

Dr Cadwallader—That is coral collecting?

Senator McLUCAS—Coral collecting and aquarium fish collecting.

Dr Cadwallader—Collection of coral and aquarium fish. In relation to coral, the situation at one stage was that Senator Hill determined that the fishery should be prohibited in the World Heritage area. The current situation is, I think even from a prime ministerial directive, whether the fishery should continue in the park. In a way that is under strict conditions that protect the World Heritage values of the park but at the same time allow the collection of coral to continue at its current level, which is, I think, about 50 tonnes throughout the whole of the marine park.

GBRMPA established an independent panel to have a look at how that might be done, given that the fishery has changed from one that collects ornamental corals for sitting on your mantelpiece, that sort of thing, to one that collects live coral for the marine aquarium trade. So the industry has changed quite dramatically, and the management arrangements have not really kept up with that. So the independent panel looked at how management arrangements might be introduced to manage that take. It is not an issue of sustainability; it is quite a sustainable fishery or collection. And we have recently received the advice of that independent panel which we are considering at the moment.

Senator McLUCAS—You are considering the advice of the panel now.

Dr Cadwallader—Yes.

Senator McLUCAS—What is the next step?

Dr Cadwallader—The next step would be—once the minister has seen the report—to release it to the Queensland Fisheries Service, who manage this industry on a day-to-day basis, and to work with them to give effect to the recommendations of the panel.

Senator McLUCAS—What time frame do you think that will be concluded within? I know that you do not control the QFS.

Dr Cadwallader—It is difficult, but we anticipate that we would see movement before the end of the year in relation to changes to how the fishery is managed.

Senator McLUCAS—In relation to planning for Magnetic Island, GBRMPA's responsibility is up to the high-water mark. Is that correct?

Mr Manson—The Great Barrier Reef Marine Park is to the low-water mark.

Senator McLUCAS—The low-water mark, thank you. I understand there are some planning processes occurring on Magnetic Island. Is GBRMPA involved in that process and, if so, to what extent?

Mr Manson—There are a number of local government planning processes occurring on the island through Townsville City Council. There has been some movement, as I understand it, under World Heritage legislation to consider some planning there, but we have not been directly involved. It may be that Environment Australia's World Heritage Branch has been involved in planning issues or discussions about the island itself. There has recently been some acknowledgment by the local council that the island is, in fact, within the World Heritage area. We understand it has been part of the World Heritage area since the declaration.

Senator McLUCAS—So the low-water mark is almost irrelevant in that discussion?

Mr Manson—In relation to the World Heritage act, yes, the marine park boundary is at the low-water level. The Great Barrier Reef region, if you like, is the largest boundary and within that is the Great Barrier Reef Marine Park. The Great Barrier Reef World Heritage area, again, is pretty close to the regional boundary but there are a number of anomalies. They are not that significant, but at a local level they are significant.

Senator McLUCAS—Do you expect to have any role in the planning processes for Magnetic Island?

Mr Manson—Only if there were a threat of serious environmental harm to the marine park. If we saw local government planning on the island, or any other planning scheme on the island, as a potential threat that needed to be managed on World Heritage values of the marine park then we would automatically involve ourselves as part of our normal business.

Senator McLUCAS—As a reactive action rather than a proactive action?

Mr Manson—We have no proactive action in relation to this on Magnetic Island.

Senator McLUCAS—Thank you.

Senator BARTLETT—While we are on Magnetic Island, or nearly on Magnetic Island in good old Nelly Bay, are there still issues to be resolved relating to boat access to the Nelly Bay harbour?

Mr Manson—The Nelly Bay project, from our perspective, is almost coming to an end. There is still some dredging occurring, and while ever there is dredging occurring, we have a role in monitoring and ensuring that environmental protection measures are in place. Essentially, as I understand it, it is pretty much the end of the process.

Senator BARTLETT—Is that dredgings for boat entry?

Mr Manson—For boat entry; it is within the original plans.

Senator BARTLETT—Is there any limit on the size of boats that can enter the harbour?

Mr Manson—That is not really a matter for the marine park authority. It is more a transport matter, so I am not particularly aware of the size restrictions other than those put on there by the limits of the harbour design.

Senator BARTLETT—And that would be the same whether or not there are private moorings inside the harbour—that is not your scene?

Mr Manson—I did not understand that there were to be private moorings as such within that harbour. But I am happy to take the question on notice. I would need to be very sure of how I answer that question because of the technicalities of low and high water and whether—

Senator BARTLETT—The moorings may or may not be within your boundaries but there are obviously issues there in terms of the amount of boat traffic. The number of boats moored there might have issues in terms of water quality, which I presume you would then have some responsibility for ensuring was okay.

Mr Manson—The traffic, given the size and scale of the place, should not be an issue for water quality generally unless it is a particularly powerful ferry that is stirring up the bottom—except if you are referring to pollution from the boats themselves in terms of anti-foulants, sewerage or garbage. I am not sure. If they are within the marina area then there are quite strict rules about the use of toilets within confined borders.

Senator BARTLETT—Is the barge and car ferry that currently operates to Geoffrey Bay now going to operate into Nelly Bay once that project has finished?

Mr Manson—It is my understanding that the new terminal will be able to cater for ferries. But there is no definitive plan on our part that I am aware of to restrict access to the ferry to Geoffrey Bay, but I presume that the objective of having Nelly Bay there in the first place is to allow the ferry operations to occur through there.

Senator BARTLETT—Geoffrey Bay is a green zone, isn't it? Is that right?

Mr Manson—That is correct.

Senator BARTLETT—What is the current permit status for the barge operation into Geoffrey Bay? Has it got an expiry date?

Mr Manson—I would have to take that question on notice. I am not exactly familiar with the type of permit that the ferry operator requires or needs for that particular operation because it is essentially a car ferry service and is slightly different to the other tourist permits, from my recollection.

Senator BARTLETT—I have got a few questions relating to that, but I will put them all on notice. That would probably be best.

Senator McLUCAS—I have a question on Trinity Inlet. Has the Great Barrier Reef Marine Park Authority done any analysis of the potential impact of the incursion of either the Caribbean tube worm or the Asian green mussel in Trinity Inlet and its potential impact on the Great Barrier Reef?

Mr Manson—We have been involved in the response team, if you like, for both the worm and the green-lipped mussel in those areas through our day-to-day management arrangements

and also with some direct relationships at officer level between AQIS and other agencies—the EPA in Queensland in particular. I am sorry, I have lost the drift of the question.

Senator McLUCAS—Is there any potential impact on the reef from those incursions?

Mr Manson—At the moment I am not aware that we have done a formal analysis in the report of the potential threats to the marine park, but certainly internally with our scientists within the authority we have had fairly lengthy discussions about the potential for those organisms to infect ports and other areas, although the nature of those particular animals is such that it is unlikely to be a significant threat outside the port areas. Nonetheless, we would be very concerned that those sorts of organisms were altering the ecology of the estuarine areas, which are obviously important for fisheries, habitat and the general ecological connectivity between the rivers and the outer reef.

Senator McLUCAS—That is all. Thank you.

Senator BARTLETT—The Port Hinchinbrook owner, Keith Williams, has claimed in a flier that he has got permission for 35-metre cruise vessels to operate seven days in the Hinchinbrook Channel. Is that correct? Does he have that permission.

Mr Manson—Again, Senator, I am at a bit of a loss. I am not particularly sure of the length of the vessel that he has on permits and which permits are current. I would have to take that question on notice.

Senator BARTLETT—Are there any applications for permission currently before the authority from Port Hinchinbrook or are the people interested in operating out of Port Hinchinbrook?

Mr Manson—Not to my recollection, but I will need to check the current files.

Senator BARTLETT—What was the deadline for the authority to have in place provisions to ensure that there was no discharge of waste from shipping into the marine park?

Mr Manson—I am not sure who might impose such a deadline.

Senator BARTLETT—There is no specific time frame for achieving that in terms of shipping discharge?

Mr Manson—Shipping discharge is managed under the International Convention for the Prevention of Pollution from Ships, which is a MARPOL international convention. There is also the TO(MP) Act in Queensland within Queensland waters, the Great Barrier Reef Marine Park Act and a number of other acts administered by transport agencies which manage pollution at sea. My understanding is those conventions are generally complied within the marine park. The shipping ones generally apply to ships. Ships are generally classified as 500 tonnes or over, and their discharges are controlled particularly in relation to any sea dumping within sensitive areas and certainly in deep water.

Senator BARTLETT—There are still various types of commercial boats able to discharge waste such as charter vessels and that sort of thing?

Mr Manson—That is correct. The new regulations come into effect on 1 January 2004. Originally the Queensland government and GBRMPA had cooperated to get a set of new provisions to bring the various industries into line with modern practice in relation to serious discharge from vessels.

Generally the Queensland position is that they withdrew their legislation and have been modifying it ever since. The Great Barrier Reef Marine Park Authority had its regulations in place, which effectively mean that it is an offence to discharge within a thousand metres of

the reef or in sensitive areas. The complementary state legislation, which is again being processed in the Queensland legislative system, will complement that by providing very stringent requirements for effluent disposal from boats in estuaries and calm waters. Their system is based on the number of persons on the vessel, whereas the GBRMPA provisions at the moment require fairly strict conditions on any vessel which has the ability to carry more than seven passengers.

Senator BARTLETT—How long have the voluntary dugong transit lanes been operating in the Hinchinbrook region?

Mr Manson—I cannot tell you exactly, but certainly 18 months or a little bit longer from my recollection.

Senator BARTLETT—In that time, have you conducted any audit or assessment of their effectiveness?

Mr Manson—I understand that there was a report done in relation to reporting back to the board of the authority on dugongs and transit lanes, but I would need to check exactly the nature of that report.

Senator BARTLETT—Could that be provided to us?

Mr Manson—If such a report exists, but the advice can certainly be made available.

Senator BARTLETT—In relation to a staffing matter, is it correct that Mr Bill Whiteman has an official position within the Great Barrier Reef Marine Park Authority?

Mr Manson—He is on the consultative committee representing the local marine advisory committee group on the statutory committee of the authority. It is not a paid position. I understand that the positions on the consultative committee are remunerated according to the standards of remuneration for attendance at committees.

Senator BARTLETT—So he is one of the community based representatives on the consultative committee?

Mr Manson—That is correct.

Senator BARTLETT—So he provides feedback or input into the various issues that the authority is working on?

Mr Manson—That is correct. The consultative committee reports to the minister and as necessary to the board.

CHAIR—We thank the Great Barrier Reef Marine Park Authority for appearing.

[5.19 p.m.]

Sydney Harbour Federation Trust

CHAIR—Welcome, Mr Bailey, to the table.

Senator Kemp—Mr Chairman, Mr Bailey has a plane to catch. He has indicated to me that he would be more than willing to book a later flight—the respect he shows for the Senate is most commendable. However, if we can finish within the next 20 minutes or so that would enable him to catch his current flight.

CHAIR—We will have to see how the questions go.

Senator CARR—Senator Kemp, you are asking us to provide you with assistance; can we get a commitment from the government that you will not disrupt the work of this committee? I think we could facilitate—

Senator Kemp—I will tell you what, Senator: every time you make some childish political point, I will come straight back at you. That is the commitment I give.

Senator CARR—Mr Bailey is anxious to catch a plane—

CHAIR—We are wasting time, so let us get on with some questions.

Senator BARTLETT—Could you briefly outline the progress of things? The trust has been in place for a little while now. You got some extra ongoing funding in this budget, as I recall, and I wondered how the overall progress of the trust is going. In particular, are there any extra areas that are being considered? What is the state with the uncertainty over the ownership or control of the North Head section?

Mr Bailey—As you know, the trust has been formally in existence since September last year. We are undertaking a range of tasks primarily directed at preparing plans for the sites and opening the sites to public access. Because they are former, redundant Defence sites, public access presents a range of problems. Fairly mundane things like fire safety and disabled access and all of those sorts of things were never considered in their Defence days, so we are having to undertake a range of works to bring the sites up to standard. That is enabling us to progressively open the sites. Most of the sites are open either on a full-time basis or on a part-time basis—in the case of Cockatoo Island, for example—through guided tours because there are contamination issues there. Ultimately, the objective is to get them open 365 days a year on an unrestricted basis.

The other priority this year is the plan of management for the sites. We are going full steam ahead. Our hope is that we will have a draft plan to the minister by the end of this year. The timetable for that will really be determined by public consultation. The legislation that the trust operates under has very broad public consultation obligations; we have a community advisory committee system in place, plus a range of other more ad hoc consultative processes that we are undertaking. They are going well, and we are hopeful that we will have draft plans to the minister by the end of the year.

The final part of your question related to North Head. The ambiguity over the issue of North Head remains. We are in the process of discussing its future with the New South Wales government. There are two New South Wales government nominees on the board of the trust and, ultimately, North Head will almost certainly be transferred to the New South Wales National Parks and Wildlife Service. One of those nominees is a very senior manager from National Parks, and we have had meetings with the Premier and the relevant ministers—Refshauge and Debus. Those discussions for the future management of North Head are progressing well.

Senator BARTLETT—I know that, prior to the trust being formally established, there was an unwillingness on the part of the state Labor government to cooperate with the trust, to be involved or nominate people. Has that lack of willingness to be involved now disappeared?

Mr Bailey—It has disappeared, and in fact we have extremely good relations with the New South Wales government both at the political level and at the agency level. The message to us was that the New South Wales government was concerned when the legislation provided for sale of land, but since that has now been removed they are very comfortable with the trust managing these lands.

Senator BARTLETT—It is a pity they did not communicate that before the legislation was passed rather than continue to fire volleys of abuse at everybody. You do not have to comment on that.

Senator CARR—This fellow is having a crack at the New South Wales government.

Senator BARTLETT—I could give a long dissertation on the involvement of the New South Wales government in this one; you would have saved a lot more taxpayers' money if they had cooperated at the start. Is there any more of a developed idea of what to do with the area of former Defence housing there—I cannot remember the name of the street anymore—or will that just be part of the plan that you are still developing?

Mr Bailey—You are referring to the housing in Markham Close, I think. Specifically, no. We have been conscious that our task is to prepare an overall plan for all of the sites and we have tried very hard not to just focus on specific issues, although there have been numerous groups who would like us to and who want to know specifically when they can move into a particular building et cetera. But we have tried to maintain a holistic approach to the planning and so there is no specific decision on Markham Close or a specific view that we have formed yet.

Senator BARTLETT—Are there any parts of the various groups you have to consult with—the local councils, the community organisations—that are problematic from your perspective, in terms of the ongoing evolution of the trust's activities and plans for these areas, or are they all folding in very well now?

Mr Bailey—Overall we have very good broad support from all the community groups. One council area—the Mosman council area—has a particular interest in building a sport centre on trust land, and they press that case very hard. But overall, no; we have very broad support and we have worked very hard to ensure that. The message we have given to the community is that there is little prospect of these plans being implemented unless there is broad community support, and we are listening to what they are saying.

Senator BARTLETT—What about the aspect of the future operations of the trust and the assumption that you will need to generate some if not a fair proportion of your own revenue: how is that developing in terms of sources of revenue?

Mr Bailey—Our act does not oblige us to be financially self-sufficient. What we have been asked to do is prepare the best environmental outcome for Sydney Harbour. From our point of view that means finding uses for these sites which are the best fit. The example I commonly use is that on Cockatoo Island we have two dry docks and the best use for those dry docks is to once again operate them as dry docks. If someone wants to park their large ship in a dry dock on Cockatoo Island then the trust will charge them for it. So there will inevitably be some commercial use, but what drives those decisions will be the best environmental and planning fit; and the community so far has been willing to accept that.

Senator BARTLETT—You have an indigenous representative on your board, is that right?

Mr Bailey—We do; Dr John Moriarty.

Senator BARTLETT—What aspects of indigenous heritage are being focused on as part of the trust's work?

Mr Bailey—There are a number of facets to that; they are being guided by John Moriarty. In particular, we are working with the local metropolitan land council and we are in the process of establishing an indigenous advisory committee, which will be chaired by John.

Senator BARTLETT—I recommend that you all have a good look at the fabulous area that they cover, which was almost prevented by the New South Wales Labor government.

[5.31 p.m.]

Australian Greenhouse Office

Senator CARR—What was the budget amount for Greenhouse expenditure for 2000-01? How much were you underspent by in this program?

Dr Grant—What year are we talking about?

Senator CARR—I understand that the expended amount figure for 2000-01 is \$245.8 million, and the actual expenditure was \$199.2 million. Is that true?

Dr Grant—From the figures we have in front of us, it was \$119 million.

Senator CARR—Is \$199.2 million the actual for 2000-01?

Dr Grant—We will have to get back to you on that.

Senator CARR—Would you acknowledge that there was an underspend?

Dr Grant—I would like to just wait until I see the figures. According to the annual report of that year for our audited statements, we spent in the order of \$82 million.

Senator CARR—There is quite a discrepancy here. I was told the figure \$245.8 million was the expenditure item and the actual was \$199 million. Do those figures mean anything to you?

Mr McGovern—No, those figures do not. The figures in our own financial statements indicate that we spent about \$82 million.

Senator Kemp—What is the source of your figures, Senator?

Senator CARR—It is what the department tells us in the PBS.

Senator Kemp—That might include the capital user charge.

Senator CARR—Is that what it is, the capital user charge—is that right?

Senator Kemp—I am speculating on that. It probably does. Senator, which year is that?

Senator CARR—What we have here are the tables published. Table A2.1 lists the forward estimates period and the total amounts spent. This is from the blue book. Do you have a blue book there? It is table A2.1, 'Environment activities—Program and tax expenditure estimates'.

Mr McGovern—I think what you might be referring to is in fact the year 2001-02 rather than in 2000-01. Is that correct?

Senator CARR—Yes, you probably are right. Let us have a look at that. How much was the actual expenditure for the same year?

Mr McGovern—For greenhouse, it was \$95.3 million.

Senator CARR—Is that total expenditure?

Mr McGovern—That is correct. That is our estimate, yes.

Senator CARR—Can you repeat that figure, please?

Mr McGovern—\$95.3 million.

Senator CARR—So you have a budgeted figure of \$245.8 million?

Mr McGovern—No. If I could just point out something in that table: this is a whole of Commonwealth expenditure on greenhouse. If you look through the table A2.1, you will note that there is the Australian Greenhouse Office, Australia Post, CSIRO, DIMIA et cetera.

Senator CARR—So this is a whole of government program. You are saying it spends \$245 million. That is the figure presented in the table for that particular year.

Mr McGovern—That was the budget estimate.

Senator CARR—That was the budget estimate?

Mr McGovern—That is correct.

Senator CARR—What was the actual?

Mr McGovern—The actual, according to the budget papers, is \$119.2 million.

Senator CARR—So less than half?

Mr McGovern—That is correct.

Senator CARR—Can you explain to me why there was such a discrepancy between the two figures? You said it was \$245 million down to—\$119 million, was it? How do you account for the discrepancy?

Mr McGovern—Essentially it relates to the Australian Greenhouse Office programs under that classification. It relates, by and large, to the programs under the ‘Measures for a better environment’ package.

Senator CARR—So there was a reduction in those programs?

Dr Grant—No, there has been no reduction in those programs. What we have done is reprofile expenditure according to the capacity of the proponents for projects to take up the funding in accordance with milestones. We have received expenditure for appropriations. We have gone out and called for projects. People have bid for projects. They have been assessed and, once assessed, they have been approved by government. We have had to enter into deeds of agreement and, following that, we have set out milestones for payment. This reflects a slowness relative to an expectation to achieve that outcome.

Senator CARR—So the forward estimates predicted \$245.8 million would be spent and, in reality, you spent \$119.2 million. You put this down to a slowness, not an underspend. Isn’t that normally how it is referred to in the rest of the Public Service? You appropriated a figure across the government of \$245.8 million, and you spent only \$119.2 million of it.

Mr Butterworth—The figure of \$245.8 million includes a number of programs in other portfolios. It is well beyond the scope of the AGO.

Senator CARR—Yes, but you are the Greenhouse Office. Presumably you would feel that you have some affinity with what happens with greenhouse matters across the government; otherwise you would not produce these tables, would you?

Dr Grant—We cannot speak for what the expenditure patterns of other agencies are; we can only speak for our own. In our case, the underexpenditure relative to appropriation for the Greenhouse Office relates to the take-up rate capacity of proponents seeking grant moneys, and indeed the management of that funding—

Senator CARR—There are two questions here. The government puts out tables highlighting how much it is spending across all of government. Presumably you have some association with these tables. I take it you prepared the tables for the government, did you?

Mr Butterworth—The AGO is the principal element of that table, and the points that the AGO has made about the reprofiling explain the bulk of that variance. The point that we are making is that the AGO cannot give you a comprehensive explanation of the \$245.8 million.

Senator CARR—I have that impression. The point I am making is that the government will make a claim about whole of government and then, when we look at what actually happens, we find out the government has claimed twice what it ought have been. That is the essence of it. In regard to the underspend in your office, Dr Grant, what was the figure? How much was the underspend that you are directly responsible for?

Dr Grant—\$134 million.

Senator CARR—\$134 million.

Dr Grant—In this current financial year.

Senator CARR—That is quite a substantial underspend, isn't it?

Dr Grant—Again, I point to the fact that it is related to the uptake capacity of proponents seeking grant moneys to implement projects to deliver on greenhouse abatement.

Senator Kemp—On the advice I have received, the main reason is one of timing. No payments are made up front; payments are contingent upon achieving milestones, and in some cases these milestones may be spread over a number of years. Perhaps, for example, grant funding already approved for the Greenhouse Gas Abatement Program includes funding of \$107 million approved under round 1. Under the negotiated deeds of agreement for these grants, payments will be made upon achievement of milestones, not up front. Payments for this round are scheduled for 2001-02 through to 2008-09. So that gives you some examples. As a consequence, expenditure is being rephased; it is not being cut. I think reprofiling is the expression used.

Senator CARR—So when you say 'rephased', does that mean it is actually being carried over to the forward years?

Dr Grant—Yes.

Senator CARR—So what can we see then? Is that figure in the forward estimates? Can you show me where that is?

Mr McGovern—The figure does not appear in the budget papers in total because the budget papers only extend out to the budget and three forward years and, as the minister just mentioned, some of these projects with the milestone payments move out over a considerable period.

Senator CARR—So they are not in the budget papers. What guarantee will we have that the money will actually be spent in this program?

Senator Kemp—I think they are spent on the achievement of certain milestones. That is the point. I think that, as to where the grants are made and where they are made to, the milestones have to be achieved. So we are not making the money available up front. If we made the money available up front—which I think is what you may have implied—it means that you do not have that mechanism to actually pay on achievement. I think that is correct, isn't it?

Dr Grant—That is correct, Minister.

Senator CARR—That is terrific, but we do not see this money in the forward estimates. It is not actually in the budget papers.

Dr Grant—As pointed out, the budget papers forward estimate three years in addition to the current year, and some of these projected milestones in contractual arrangements are out to seven and eight years.

Senator CARR—I just noticed that the projected greenhouse gas emissions target has now blown out to 33 per cent. Would you agree with that?

Dr Grant—No, Senator.

Senator CARR—Excluding land clearing.

Dr Grant—Excluding land clearing?

Senator CARR—Yes.

Dr Grant—That is a figure in a draft report that was prepared in about the middle of last year. It is dependent on additional information coming in through the national carbon accounting system, which we are just waiting on. On the basis of that information, we will provide the final figures that relate to the overall emissions from Australia.

Senator CARR—So what is your expectation—how much will that vary?

Dr Grant—I am not at liberty to say, Senator. The bottom line essentially is that until that information is provided to government, we could not divulge it.

Senator CARR—I will take, for instance, the shale oil project in Queensland, which your office obviously has a very deep concern about. Would that not have an impact on the greenhouse gas emissions if that proceeds?

Senator Kemp—Senator, I think we have probably had a good debate on that. I am not sure that you came out on top on that one, but I am happy to go through it again. If we are talking about greenhouse gas emissions in Queensland, I think this is a very good opportunity for Senator McLucas to convince Premier Beattie to implement his vegetation management legislation.

Senator McLUCAS—We would like to have a debate about that, Senator Kemp.

Senator Kemp—Any time.

Senator McLUCAS—What contribution is the Commonwealth going to make to that project?

Senator Kemp—All I am saying is that I am seeing senators very worried about greenhouse gas emissions, and I see your concern. All I am saying is that—

Senator McLUCAS—Start talking about what the Commonwealth is going to contribute.

Senator Kemp—you seem to be absolutely worried about what the Commonwealth is doing, and that is fair enough. You are worried about Queensland. Senator, you are a Queensland senator. Why don't you write to Mr Beattie and urge him to implement the legislation for vegetation management?

Senator McLUCAS—Why don't you write to Dr Kemp and ask him what he is going to contribute to that project?

Senator Kemp—You are not fair dinkum. This is actually a state matter, of course, Senator.

Senator CARR—You have got \$36 million to hand out for the shale oil company.

Senator Kemp—I think comments probably have been made by Dr Kemp on this issue, so I would not wish to do that. But, Senator, you see this is where people think—

Senator McLUCAS—It is all right for every other state to clear their vegetation and get the value of it, but it is not okay for Queensland.

Senator Kemp—This is where people think that you are not fair dinkum, Senator, because you get very worried about the shale oil project, which your Premier supports by the way—

Senator McLUCAS—You need an update on that, Senator.

Senator Kemp—and I suspect the federal Labor Party supports it too. I know the Left of the Labor Party does not support it, but the Labor Party overall certainly does. There are actions that you are able to take to show that you are fair dinkum on this.

Senator CARR—Senator Kemp, that is all very interesting but I do not think it adds anything to the question I have asked. It certainly does not provide an answer. If we can return to that, Dr Grant—

Senator Kemp—I am just trying to help.

Senator CARR—given the submission that you have prepared on this issue of the shale oil project, do you think that if the Stuart project was to continue to stage 2 and 3 there would be a significant impact on our greenhouse emissions?

Dr Grant—Given that the procedure has not been given for it to go ahead—or the process and the conditions have not been fully complied with to allow it to go ahead—it might have different outcomes. I am unable to say.

Senator CARR—You have done some assessments on this, haven't you? You have actually looked at the EIS on the company, haven't you?

Dr Grant—We have certainly provided some advice.

Senator CARR—But your unit has actually done an analysis of the company's proposals. I am not interested in the advice you have given government, because we have already got that and we have spoken at great length about it today. I am interested to know this: in terms of the work that your unit has undertaken on the shale oil project, what have you found about the prospects of the dioxin emissions, for instance? That is, in your analysis of the company's proposals.

Dr Grant—In terms of dioxin emissions?

Senator CARR—Yes.

Dr Grant—They do not fall within our responsibility.

Senator CARR—I see. Would you agree with the project's emissions intensity in regard to the carbon per barrel and naptha? Would it be the case in your assessment that the proposal is significantly greater than the industry's average?

Dr Grant—The advice we have from the proponent in terms of the emission rates per barrel of naptha are that they are at a rate higher than the production of fuel from other sources. There is a relationship, however, between naptha and petrol production that has to be factored in.

Senator CARR—Would you also agree that the project, based on the documents provided by the company, would lead to significant greenhouse emissions overall?

Dr Grant—I think it depends on the uptake rate of the process.

Senator CARR—If we were to take, for instance, the current levels of performance, could you give an assessment based on your analysis that you have undertaken?

Dr Grant—I am not sure that I have the total figures to hand to be able to comment in detail, so I am not sure that I can actually comment effectively to answer your question.

Senator CARR—Would you agree that on the current levels of performance the total emissions for stage 2 are estimated to be around the equivalent of 1.6 million tonnes per annum of carbon dioxide with potential emissions from stage 3 at about 6.9 million tonnes per annum?

Dr Grant—In terms of the advice provided to us by the proponent on the assumption that the take-up rate for production is as they project, those figures may well be of that order.

Senator CARR—The proponent also suggests that there is a method to reduce emission levels to as low as 40 kilograms of carbon per barrel. Have you seen any independent verification of that figure?

Dr Grant—No.

Senator CARR—Are you aware of the existence of any verifiable independent advice on that matter?

Dr Grant—I am not personally aware of it.

Senator CARR—Is your office aware of it?

Dr Grant—Not that I am aware of.

Senator CARR—In terms of the environmental impact assessment process, have you had any discussions with the company directly?

Dr Grant—No.

Senator CARR—It all went through the office or the department itself did it? I am asking you as far as you are aware.

Dr Grant—I am not aware. To the best of my knowledge, it has been through the environment portfolio.

Ms Tinney—Could I just clarify that. Some of these issues are the issues that Mr Early's letter went to seeking further information from the company and Dr Grant would not have been involved in that process other than to provide advice initially to Mr Early so that he could ask for that further information.

Senator CARR—Thank you very much, I understand that is the process. I am just confirming, in terms of the analysis that you have undertaken, you do have a series of concerns about this project?

Dr Grant—Certainly with any major project we seek to understand what prospective emissions might emerge from those projects.

Senator CARR—And you are not satisfied with the company's proposals to date?

Dr Grant—I think we, along with Environment Australia, are seeking further information.

Senator CARR—That is because you are not satisfied with the explanations you have been given to date?

Dr Grant—I think we are just seeking further information to be clear on what the situation is.

Senator CARR—It is almost time for a break, and I understand that the officers, like everyone else, want to go home or back to whatever they do in the evening.

CHAIR—Do you have any questions—

Senator CARR—I have some questions on notice, but I would like to explain one of them.

CHAIR—Senator Allison may have some quick questions.

Senator ALLISON—No, I have to go shortly, Chair.

Senator CARR—Could I just deal with this matter. I am quite happy to clarify them, if you like, but if you prefer I can put these on notice. There are some matters regarding the Greenhouse Gas Abatement Program. There is a table included in this question I have, and I will ask whether you can basically provide information to fill in the relevant columns that I have provided in this table which go to the total estimated emission reductions for projects in round 1 and round 2, the funding applied for and, of course, the allocation of Commonwealth moneys. In the document, you will see there will be basically a table prepared with empty columns and I am asking if they can be filled in in that way. I will place those on notice, if it is possible, along with some questions on land clearing.

CHAIR—I think that concludes the Australian Greenhouse Office, so we thank you for appearing.

Proceedings suspended from 5.57 p.m. to 7.17 p.m.

Parks Australia

CHAIR—We will resume. I welcome Minister Macdonald here in place of Minister Kemp. I now hand over to Senator Carr.

Senator CARR—Is Christmas Island part of your bailiwick, Mr Cochrane?

Mr Cochrane—Yes, it is.

Senator CARR—I am told that the government intends to establish a detention centre on Christmas Island. Is that correct?

Mr Cochrane—That is correct.

Senator CARR—And it has been exempted from the environmental assessment under the EPBC Act? Is that right, too?

Mr Cochrane—That is correct.

Senator CARR—How does that happen?

Mr Cochrane—I will ask my colleague Mr Early, who administers that part of the act.

Senator CARR—The conscientious, hardworking and much maligned and ignored Mr Early. He has been late with his replies, but it is not his fault if the shale oil companies refuse to respond. Can you help me with this: why has this been done?

Mr Early—The Minister for the Environment and Heritage, Dr Kemp, granted exemptions to the centre under sections 158 and 303A of the Environment Protection and Biodiversity Conservation Act.

Senator CARR—What are the grounds?

Mr Early—The minister released the formal statement of reasons under the act on 17 April. I can table those.

Senator CARR—Thank you, that will save me a lot of trouble. In essence, what is it?

Mr Early—In essence, Dr Kemp decided that it is the national interest to grant exemptions, as the exemptions are necessary to give effect to the government's policy to control and manage Australia's borders. The policy requires appropriate detention infrastructure to be established and operational before the monsoon season, which would make existing temporary accommodation on Christmas Island inadequate. The statutory time

frames for assessment and approval under the EPBC Act would have meant that the first stage of construction could not have been completed prior to the monsoon season.

In taking his decision, Dr Kemp was satisfied that best practice environmental management will apply to the construction and operation of the centre and its associated infrastructure. There are a number of elements to that: the centre will be established and operated under an environmental management plan; a suitably qualified environmental manager will be appointed; there will be monitoring for protected species; necessary mitigation measures will be implemented if needed to protect the environment; the Environment Protection and Biodiversity Conservation regulations that protect locally protected species in Commonwealth areas such as Christmas Island will continue to apply; and any works that may affect the Christmas Island National Park will need to be consistent with the management plan for the park and will require authorisation from Parks Australia. Dr Kemp also agreed that Environment Australia would continue to assist the departments of immigration and transport and regional services with advice on these matters.

Senator CARR—Thank you very much. There are three other projects currently under way—new mining leases, redevelopment of the port and, of course, redevelopment of the airport—that have been subject to environmental assessment. Is that correct?

Mr Early—They are at different stages of the assessment, yes.

Senator CARR—And the space centre?

Mr Early—Yes. That was assessed under the old Environment Protection (Impact of Proposals) Act. That assessment is complete.

Senator CARR—The assessment is complete. What were the findings?

Mr Early—The then minister for the environment, Senator Hill, agreed that the space port could proceed, subject to quite a number of conditions which have subsequently been developed, and the space port company has to develop an environmental management plan to incorporate all those conditions.

Senator CARR—When will that happen?

Mr Early—We are in the process of doing it at the moment. They have actually prepared an interim environment management plan for the earthworks, and that has been approved by the minister. At the moment, they are developing an environmental management plan for the construction of the centre.

Senator CARR—That is for the construction, but what about the storage of fuels, transport and those sorts of associated issues?

Mr Early—All those issues were covered in the environmental impact.

Senator CARR—What is the conclusion with regard to the storage of fuel, for instance?

Mr Early—Again, I do not have the environmental impact statement with me.

Senator CARR—Will you take that on notice, please? What are the potential environmental impacts of the space centre and, in particular, what protection has been taken with regard to the impact of transport and storage of fuel? Given that we are talking about a space centre, I thought there might well be quite a bit of fuel. What environmental management requirements are in place? I also understand that the site is part of an existing mining lease. Have there been any arrangements for compensation?

Mr Early—To be honest, that is something you would probably need to talk to the Department of Transport and Regional Services about. I know there has been some discussion

and, in fact, the mining company has accelerated its mining on the areas near the spaceport. That is a fairly general answer, and it is the extent of my knowledge.

Senator Ian Macdonald—There were arrangements between the parties themselves. Mr Early is right, and it is more a matter for Transport and Regional Services, but I can confirm that that is the case.

Senator CARR—Thank you. With regard to the draft guidelines for the Phosphate Mining Corporation of Christmas Island, I understand their proposal is being considered under the EPBC Act. In fact, they are required to undertake the second-highest form of assessment due to the sensitivity of the environment on Christmas Island. Is that true?

Mr Early—Yes, they have two proposals in. One is for exploration, and one for mining. Both are controlled actions under the EPBC Act. The minister determined a public environment report for the exploration proposal and an environmental impact statement for the mining proposal.

Senator CARR—Given the sensitivity of the environment of Christmas Island, I am wondering why the same sorts of rules do not apply to the other developments such as the spaceport or the detention centre. They are different standards, are they not?

Mr Beale—No, the spaceport was under a different piece of legislation, the EP(IP) Act. I think Mr Early has given a full and complete description of the reasons why the detention centre was exempted under the EPBC Act.

Senator Ian Macdonald—The EIS for the space centre was completed almost two years ago.

Senator CARR—Turning to the airport, what are the time lines for the redevelopment of the airport?

Mr Early—That, once again, is a controlled action under the Environment Protection and Biodiversity Conservation Act. The minister determined that would be assessed by an environmental impact statement and a draft EIS is currently being considered for public release.

Senator CARR—So, in fact, you are pretty stiff to actually get a full assessment under the EPBC Act, aren't you, from what you are telling us?

Mr Early—Sorry?

Senator CARR—It is pretty stiff, if you actually get a full one. There seems to be exemption after exemption out there.

Mr Early—No, Senator. Basically everything has been subject to assessment under the EPBC Act.

Senator McLUCAS—I note that you say that there is going to be an environment management plan and an environmental manager on site. Who will draw up the EMP?

Mr Cochrane—The project proponent, essentially, is DIMIA, the department of immigration, and it will be their responsibility to prepare the environmental management plan.

Senator McLUCAS—Will there be a public consultation process as a part of that plan?

Mr Cochrane—That question, unfortunately, you would have to address to them.

Senator McLUCAS—So Environment has not asked DIMIA to make that a condition, though, given that they are not under the EPBC and that there would be all the things that you

would expect would happen with an environment management plan that DIMIA would comply with.

Mr Cochrane—It actually goes to the reasons, as Mr Early said, for the exemption that the minister granted, which was the time lines. The time lines in the act provide for significant periods of public consultation, and the rationale for granting the exemption was the time lines. It is unlikely—in fact it will not be possible—that there will be the same sorts of public consultation that the act provides for with the environment management plan that DIMIA is producing.

Senator McLUCAS—And DIMIA will employ the environmental manager? Is that correct?

Mr Cochrane—Yes.

Senator McLUCAS—Do we have any control over who they employ, or are we involved in that process of working out who that person may be?

Mr Early—We have been providing advice on environmental conditions, including suitable people who might be environmental managers. DIMIA are certainly taking their environmental responsibilities very seriously and I think that they will appoint someone who is suitably qualified.

Senator McLUCAS—Are you going to be involved in the development of the EMP?

Mr Cochrane—We have regularly been providing environmental advice to DIMIA and to territories throughout the development of this project.

Senator McLUCAS—And that advice has been accepted and adopted in full?

Mr Cochrane—Well, it has been welcomed, and I have no reason to conclude that it has not been accepted, but we have not seen a draft plan yet so I cannot answer that one until we have seen that.

Senator McLUCAS—And the draft plan is due when?

Mr Cochrane—It is under development now. I cannot give you an answer because we are not holding the pen.

Senator McLUCAS—I understand that.

Senator BARTLETT—I want to ask about Kakadu National Park. It is in your drawer, I guess. As I understand it, the Kakadu plan of management says:

Relevant Aboriginal people must be employed in all facets of managing the park.

Can you give me an indication of when the last appointment of a relevant Aboriginal person to a permanent senior position in Kakadu occurred?

Mr Cochrane—I cannot off the top of my head. Can I take that on notice?

Senator BARTLETT—Sure. There are a couple more questions here I will just scan through. How many of the last 10 permanent EA3 level or higher positions have gone to Aboriginal people? And perhaps you could record a bit about the most recent series of employments undertaken and which of them were Aboriginal people?

Mr Cochrane—I saw the letter you are quoting from for the first time yesterday. We will be preparing a response to that, so I can give you that information.

Senator BARTLETT—I am quoting from a bit of paper somebody gave me. It is not a letter, though; maybe it is derived from some letter.

Mr Cochrane—Yes.

Senator BARTLETT—If you could provide a copy of that reply to the committee, that would be good.

Mr Cochrane—Yes.

Senator CARR—There is one other matter, Mr Cochrane. In regard to the Christmas Island phosphates, has there been a proposal put to you at the national parks office to suggest the concept of a land swap to add additional areas to the national park and open up areas already under national park to mining?

Mr Cochrane—Not a specific one, but the company has asked what the process is for changing boundaries to national parks. We have provided them advice on that. The process is actually set out in the legislation. It is not a simple process. It needs the support of both houses of parliament to be made. But we have no specific proposal from the company.

Senator CARR—Have they had a discussion with anyone else within the department about this matter?

Mr Cochrane—Probably most directly with me. They have spoken to Mr Early, my good colleague.

Senator CARR—What have they told you, Mr Early?

Mr Early—Essentially the same, Senator, that they are interested in a land swap. We said that any such suggestion would have to go through the proper processes of the act and explained it to them, in the same that Mr Cochrane did.

Senator CARR—Did you tell them it was a good idea?

Mr Early—Basically I said we would only entertain the idea if it was a net benefit to the national park.

Senator CARR—Have you taken it any further? Have you had any analysis done?

Mr Early—No, because the company has not yet come up with any kind of firm proposal.

Senator CARR—Has the matter gone to the minister yet?

Mr Early—It has been discussed with the minister.

Mr Cochrane—But there is no proposal.

Senator CARR—So just giving him a general report.

Mr Early—Yes.

Mr Cochrane—I could add that the current plan of management actually sets out two areas which it would be desirable to add to the park, so the company has taken that into its thinking.

Senator CARR—But they think they could dig up the bits that are already in the national park; that is what they are proposing, is it not?

Mr Cochrane—One would assume that is what is on their mind.

Senator CARR—Thank you very much for that. The rest of the questions I will put on notice. Thank you very much.

CHAIR—This is for Parks?

Senator CARR—Yes, for Parks. I do not want the rest of you to go just yet.

CHAIR—I thought I would just try my luck. In that case I thank Parks for appearing and I call the Department of the Environment and Heritage.

Department of the Environment and Heritage

Senator CARR—I am wondering if I could take you through the budget expenditure for the department. Can you tell me how much has been allocated for civil maritime surveillance and response?

Mr Beale—If you are referring to the environment budget statement on page 63, that is not an expenditure of the department. Which page are you referring to?

Senator CARR—I have actually got the portfolio budget statement here. Where is the blue book you seem so keen on quoting from? Have you got a blue book there? Thank you very much. So how much is that? What is the amount?

Mr Beale—The department has no direct expenditures on civil maritime surveillance and response.

Senator CARR—No direct expenditures? When you say ‘no direct expenditures’, who is funding the \$205 million by Customs? I presume that is part of the budget.

Mr Beale—Customs is.

Senator CARR—So if we actually take the Customs section out of the budget, what do we see in terms of the environmental expenditure in terms of table A1.2. Would it be fair to say that without that expenditure the environment expenditure would in fact be \$205 million less?

Mr Butterworth—In the year 2001-02 that would be correct. It would be \$243.5 million less in 2002-03.

Senator CARR—Thank you, that is terrific. You are saving me a lot of trouble. Thank you very much. I am just wondering why it is that the Customs expenditure has been included in this year’s environment budget statement?

Mr Beale—It has been included in a number of environment budget statements, going back to 2000-01. It is because we coordinate this statement, Senator, and Customs provides a range of barrier services that are of significant importance to the protection of our environment. They do that under a memorandum of understanding with the department. They did not report the amount last year, so it was not included in last year’s EBS, but in this year’s EBS we give the figures for both last year and this year, and it was in the document prior to 2000-01 as well.

Senator CARR—So it is not in last year’s statement; it is in the year before. What about the year before that?

Mr Beale—I do not believe that it was.

Mr Butterworth—We have not been preparing that table before that time.

Mr Beale—This is relatively new.

Senator CARR—I would not find it in the year before that either then?

Mr Beale—No.

Senator CARR—So it has only been in one year, and not last year. We have skipped a year. Why is it back again? What is the reason?

Mr Beale—Because the figures were provided this year. They were not available, as I recollect, last year. They have been provided for this year and for last year in this document.

Any comparisons of the aggregates in this document between this year and last include the Customs in both figures.

Senator CARR—I am surprised, Mr Beale, that the figure for Customs was not available last year when you were going to spend it in last year's budget.

Mr Beale—I do not know why Customs was unable to provide it last year.

Senator CARR—It does leave me a little confused, when a department like Customs cannot tell you how much they are spending on customs. That is, in effect, what you have told us.

Mr Butterworth—This is only a component of Customs' total expenditure.

Senator CARR—Yes, that is right. It is a very important component of this statement. As I say, and as I think you have indicated, these two figures account for \$205 million and then \$243 million. It is a very substantial part of the total budget allocation, is it not? In a total budget allocation of \$373 million, it is quite a substantial figure. That is what I see on page 64.

Mr Butterworth—That is just the 'coasts and oceans' theme—the subtotal.

Senator CARR—What is the total budget?

Mr Butterworth—\$1.8 billion.

Senator CARR—So it is 25 per cent, or thereabouts—\$243 million.

Mr Butterworth—That is not 25 per cent of 1.8.

Senator CARR—Did you say 1.8, or what?

Mr Beale—\$1.8 billion.

Senator CARR—It is a very substantial amount of money.

Mr Beale—It is a significant amount of money, and an important activity.

Senator CARR—What are these vessels actually doing that make them so important to the environmental statement? Just explain that to me again.

Mr Flanigan—The Customs program provides a significant amount of environmental benefit from its operation. We use them to assist us in monitoring our marine protected areas, particularly in the north of Australia. They also provide a platform for observing and intercepting illegal fishers. In that capacity, through AFMA, they provide a very significant ability for Australia to police its fisheries in the northern areas. That, of course, has a very significant environmental benefit attached to it to combat over-fishing of things like trepang and those things in the north. They also help us monitor impacts on things like turtles, again from illegal fishers operating in our northern waters—a whole range of activities associated with the MPA.

Senator CARR—Do they look for people smugglers while they are doing that?

Mr Beale—To give you an additional example, we had evidence earlier today from the Great Barrier Reef Marine Park Authority of the tremendous usefulness they had found from the Customs operation since this MOU, and the fact that they were able to target and get a more effective interdiction rate and prosecution rate as a result of the Customs information and services.

Senator CARR—I can see the point you are making, but are they looking for drug smugglers?

Mr Beale—I am sure they are looking for a whole range of illegal activities associated with our borders. Part of this product—a very important part—is the benefits they provide to our portfolio and to others in natural resource management.

Senator CARR—I accept that part of their work has a benefit to your portfolio, but presumably the defence department does a fair bit of work on conservation issues as well. That would have a benefit to your department. I cannot see the defence expenditure in this budget.

Mr Butterworth—There certainly are defence measures in here.

Senator CARR—The primary purpose of the Customs vessels at this time—has it not been part of the Pacific solution?

Mr Beale—You are now asking questions about the purpose of Customs operations. What I and my officers can tell you about are the services they provide under the MOU with my department. Those services to our portfolio, and to other elements of the government's natural resource management portfolios that are covered in this environmental budget, are very significant.

Senator CARR—Do any of the items in this statement appear anywhere else within the budget?

Mr Beale—I am sure all of these items would appear elsewhere in the budget as well, in terms of the originating departments. For example, our own expenditures appear in the PBS, and AFFA's expenditures are in its PBS. Customs will, in turn, be reflected in that.

Senator CARR—I will put it to you this way: if this figure was not included, as we have already established, then the budget figure for this year would not have been \$1.8859 billion; it would have been \$1.642 billion, which is, of course, a significant reduction on last year's actual expenditure.

Mr Butterworth—You would have to subtract the equivalent figure for the previous year to make a valid comparison.

Senator CARR—But it was not in last year's budget.

Mr Butterworth—If you are comparing it to the figure of \$1.687 billion in this year's document for the year 2001-02, you would subtract \$200 million from that figure to give you a valid comparison.

Senator CARR—But the last year's budget figure as published was \$1.642 billion, wasn't it? It was somewhat less than that, was it not? What was the actual last year?

Mr Butterworth—The actual for 2000-01 was \$1.528 billion.

Senator CARR—Tell me, whose idea was it to include the \$205 million of Customs expenditure in this environmental statement?

Mr Butterworth—I guess it was an idea of this department and Customs jointly that this was a valid and worthwhile addition to make to the document.

Mr Beale—In preparing this document, the department writes to all other agencies, drawing their attention to the criteria for environmental expenditure, and asks them to describe any expenditures they have that would fit the bill. In the case of Customs, perhaps it was a development of the memorandum for the provision of these enhanced services—at least from our point of view—that drew their attention to it particularly. In most cases, it is the other agencies that identify for us the expenditures that they consider to have an environmental component.

Senator CARR—Why don't we just cut to the quick of this: why don't we see next year's budget—the entire Defence budget—included in this paper, because we all know that defending Australia is good for the environment?

Mr Beale—I consider that to be a rhetorical question.

Senator CARR—Perhaps you should ask the defence department if they want to be seen in that. I will go through some of the other anomalies that appear in this document. Tell me if you can confirm this for me: if we were to look at the claimed expenditure in the budget and compare the projected expenditure with the actual expenditure in the blue book from, say, 1999 through to this year, the departmental claims of \$839.4 million on page 33 of the PBS are corrected and, if we go through the corrections, the claim was \$839 million. In the next year, it was reduced to \$769.7 million. Every year, the same pattern emerges: there have been underspends across the portfolio. Is that true? Can you confirm that?

Mr Butterworth—I do not have a 1999-2000 book here. I am happy to have a look at that argument.

Senator CARR—Let me just go through it again for you. In 1999-2000, you had a budget claim of \$839.4 million but only spent \$769.7 million. In the same period of 2000-01, you had a claim of \$103.7 million but only spent \$102 million. Again, if we go through this in 2001-02, the claim was for \$1.668 billion but you only spent \$934.8 million. There is a reduction in every year of projected expenditure against actual expenditure. Can you explain to me why it is that—year in, year out—if we look at this model across the last three years, the department has actually failed to spend the total budgeted amount allocated to it? For three successive years!

Mr Beale—Most of the underexpenditure has related to the Natural Heritage Trust.

Senator CARR—So we will continue to see underspends in the future?

Mr Beale—In fact, in relation to this year—that is, expenditure in 2001-02—as against last year's forecast, I expect that we shall come in right on the button.

Senator CARR—For the first time in four years?

Mr Beale—That is correct.

Senator CARR—Thank you. When I hear analysis of the state of the environment—and take for instance your own state of the environment report—there seem to be suggestions that Australia is actually performing poorly on the environment front. Would it be fair then to draw the conclusion that it is a bit odd that we as a country are performing so badly on the environment that, for the last three years, you have not been able to spend your own budget?

Mr Beale—I will start by addressing the premise. The state of the environment report points to a number of very positive areas as well where there have been environmental gains. It is not entirely a negative picture. On the other hand, the report does indicate—and I think we would all accept—that Australia is certainly not, at this point, in a position of sustainability. The underexpenditures in the NHT are essentially linked with the growth of a very large program in a complex area.

If we were to take 2000-01, some 58 per cent of the underexpenditure is across three principal programs. One of those is the national reserve system, which is essentially about large-scale purchases of properties—those purchases you have to budget for in case they go through. We had one occasion where the state government that was the proponent was overbid at the auction of the property; they could not secure it. In other circumstances, we have had a

landholder who became ill with cancer and did not wish to proceed with the settlement until the health issues were resolved. There are a number of circumstances like that.

The other two major programs where there has been failure to meet our performance objectives are the Bushcare and the Landcare programs, in particular. In Bushcare we have thousands of projects that are open to considerable variability in weather conditions and so on. I think, if one were to look at this in retrospect, with the benefit of experience to get a given cash outcome in a year you really have to commit more projects and run the risk, if you like, of having an overexpenditure and being pushed into a deficit financing situation rather than being comfortable. The alternative would be to allow mileposts to be softer than they are in terms of the performance requirements of those who are receiving the money. We do not believe that that would be appropriate. We believe we have to guarantee that we are getting value for money. And, as a result of this, if there is any slippage in those milestones, payments can move from this year to the next.

This has been drawn very forcibly to our attention in a management sense. We have focused on it. We believe that we will spend all of the allocation this financial year, and our financial and other planning is based around expending the funds provided in the NHT over the years ahead but to do that in a way that gets us good value projects.

Senator CARR—Thank you, Mr Beale. Can I have a breakdown by program level—and to the highest level of detail possible—for the underspends across all programs over the last three years?

Mr Beale—Can I take that on notice?

Senator CARR—Yes, of course. I do appreciate the manner in which you have addressed the issue. You did mention that you have had the issue drawn to your attention in the most forceful of manners and in the strongest of possible terms—I forget precisely the term. Who drew it to your attention?

Mr Beale—I think all sorts of people have drawn it to our attention.

Senator CARR—Do the department of finance think this is good idea?

Mr Beale—I am sure our colleagues in Finance think it is a good idea. I am sure our minister thinks it is a good idea. There have been—

Senator CARR—Does the Prime Minister's office think that this is the sort of thing that a government department should be doing?

Mr Beale—I have no idea.

Senator CARR—They have not contacted you then?

Mr Beale—No.

Senator CARR—Are they the only ones who have not contacted you? That is another rhetorical question, Mr Beale. I would like to ask you about your staffing situation. The Budget Strategy and Outlook table at A5 in Budget Paper No. 1 says that the estimates of the average staff levels of the agency in the Commonwealth general government sector show the Department of the Environment and Heritage will be losing 120 staff. Is that right?

Mr Beale—I hope that it will be somewhat less than that. I think it will be of the order of perhaps 90 to 100 staff.

Senator CARR—Why does the budget paper say 120?

Mr Beale—Because we prepared that some weeks ago before we were in a position to finalise the details. That was the maximum that we were likely to face. As I said, I believe it will be something less than 100. In our own document, on page 38 of the PBS, it shows a reduction from 891.4 to 800.0—about the 91 staff that I estimated.

Senator CARR—Was the other one just a bit of an ambit claim?

Mr Beale—It is certainly not an ambit claim on my part. It was probably just provided at a slightly earlier point in the budget process.

Senator CARR—Whereabouts are these 90 to 100 positions going to come from?

Mr Beale—I think they will come from a range of our programs and activities. Almost all segments of the department in our Canberra office will, in one way or another, have a staffing reduction. I will ask Mr Anderson, the head of our corporate area, who knows more about the detail of this, to provide a comment.

Mr Anderson—The reductions will be spread across most of the divisions. The Environment Quality Division and the Marine and Water Division are the most affected divisions. All other divisions, other than the Approvals and Legislation Division, will have some reductions.

Senator CARR—How are you going to select people to leave?

Mr Anderson—We have a comprehensive strategy to address the staffing reductions. Our primary focus will be on non-ongoing employees that are currently on term contracts. When their contracts expire we will make a judgement as to whether that work needs to be continued. If it does, we would look to redeploy other people into those jobs from areas where we need to scale down. Where work does not need to continue because programs have lapsed or are being scaled back, we just would not continue those contracts.

Senator CARR—I presume you are talking about people that are on fixed, short-term contracts.

Mr Anderson—That is right. Technically, they are non-ongoing employees. They are on a contract of six months, nine months, 12 months.

Senator CARR—Are these junior employees? What grades are they at?

Mr Anderson—It is quite a broad cross-section. We have about 200 staff out of 1,000 employed in that category in Canberra. They would range from our lowest levels through to our director levels.

Senator CARR—Do you have directors on short-term contracts?

Mr Beale—We have staff at that level. Partly because of the nature of the work that we do, it often requires a short-term engagement on a particular project calling for a particular set of skills. It is often best to address that with a short-term engagement. But our first priority, as we reduce the staffing number, will be to look after and redeploy the staff with whom we have and hope to continue to have a long-term relationship.

Senator CARR—You are not going to redeploy 100 of them, are you?

Mr Anderson—Yes.

Senator CARR—They are going to be out the door.

Mr Anderson—We have a significant turnover of staff in any one given year. Our churn rate is about 18 per cent. Going back a number of years, we had to absorb a forest task force of over 100 and we were able to absorb those staff quite seamlessly.

Senator CARR—So you think most of this can be done by natural attrition?

Mr Anderson—Yes, that is certainly our aim.

Senator CARR—How many directors do you have on short-term contracts?

Mr Anderson—It would be only one or two and they are executive level employment. They might be brought in to do a specific task like the preparation of a financial statement. Generally the bulk would be employed at about the APS 5 or 6 level. So the director level would be the exception. It would be one or two, if that, now.

Senator CARR—I would be interested to know, in terms of the detailed strategy you referred to, the spread of positions that you are intending to pick up in this redundancy proposal. What is the range of it? Is it going to be across all the grades in the Public Service or just at the lower skill levels?

Mr Beale—It will focus primarily on examining the non-ongoing employees, those on a short-term contract, who contribute to the vast bulk of that 18 per cent per annum churn rate. They are across a range of levels but quite typically probably at the APS 5 to 6 level.

Senator CARR—And these are people in the parks service and that sort of thing?

Mr Beale—No, this is primarily focused on the department in Canberra.

Senator CARR—This is the Canberra head office?

Mr Beale—Yes.

Senator CARR—That is a lot of people to get out of head office.

Mr Anderson—It is about 10 per cent.

Senator CARR—A 10 per cent reduction in head office in one hit?

Mr Anderson—Yes.

Senator CARR—What is the normal attrition rate at head office?

Mr Beale—Eighteen per cent.

Mr Anderson—Eighteen per cent.

Senator CARR—Eighteen per cent at head office?

Mr Anderson—Yes. In fact, some divisions are already scaling back, so the impact will be less for some areas. Some areas are gradually moving to their new staffing levels now.

Senator CARR—I would not mind, nonetheless, having a look at the range of grades—not the individuals—that you are intending to attract to this proposal because, presumably, you are saying that this will be entirely voluntary.

Mr Beale—We are not going out with a program asking for voluntary redundancies. We will first and foremost look at the turnover rate, particularly in the short-term engagements, and examine our ability to relocate our permanent staff within that framework.

Senator CARR—Can you explain to me why it is necessary to reduce head office by 10 per cent?

Mr Beale—Because we have a range of lapsing programs and, as a result, I do not have the funds to support that staff number. If I am scaling back program activities, I think it is entirely appropriate—you were talking about overheads earlier today—to scale back staff and overheads proportionately with the program changes.

Senator CARR—Have you looked at alternative areas of savings? For instance, I mentioned the advertising budget. What is the advertising budget for this year?

Mr Beale—As I indicated to you before, we will look at those figures for you. But in the areas that are funded outside the Natural Heritage Trust, the advertising budget is not particularly large and is set within a program basis. All of our program managers have been asked to look at how they scale back their activities—how they are going to arrange their priorities. The reduction in staff is not disproportionate. It is obviously not something that, as a manager and chief executive, I have been wishing to rush out and do as an end in itself. As programs reduce, it would be inappropriate for me to maintain the same staff levels. But we have aimed to reduce, for example, rental payments and travel arrangements to do all that we can to maximise the environmental gains within the budget.

Senator CARR—Can you show me where the other areas of reduction are that give weight to the point that you are putting to the committee? I take it that you are going to provide that information on notice as to the advertising for the whole department, including the Natural Heritage Trust?

Mr Beale—If that is your request.

Senator CARR—I want it all there: the moneys you have spent across the department. Can you indicate to me how that has been spent over the last three years. Is that possible so I can get a feel for it?

Mr Anderson—We can certainly provide it for the last year and the current year, and the projection for next year. We probably could go back to the previous year. We provide that each year in the annual report.

Senator CARR—Yes, I know. It would facilitate my education to have it in a consolidated form. How much did you spend of the Natural Heritage budget on advertising in the run-up to the last federal election?

Mr Anderson—We can give you that figure later tonight under another program.

Senator CARR—You do not have that figure at hand?

Mr Anderson—One of my experts has it.

Mr Beale—But we tend to address these things in terms of the financial year.

Senator CARR—I will tell the relevant officer that I will looking for that in a few minutes. Given that the claim has been made by the government that this is the greenest budget ever, how can that be said when you have indicated to us that there is a reduction in programs and that there are up to a hundred fewer people working on those programs?

Mr Beale—There is a reduction in some programs and a growth in others. The overall expenditure for our department and the Department of Agriculture, Fisheries and Forestry on environmentally related matters is substantially higher than it was when I became secretary six years ago.

Mr Butterworth—If you compare those figures with 1995-96, in nominal terms it has increased about 2½ and in real terms it is about double.

Senator CARR—Thank you.

Senator McLUCAS—Going back to the \$243 million that has been attributed to civil maritime surveillance and response, how do you measure the environmental value of a contribution of that nature?

Mr Beale—You can measure it in terms of the impact it has on our program performance. We got a very good example of that from the Great Barrier Reef Marine Park Authority earlier this evening, when they indicated they had been able to reduce the amount of money they needed to spend on day-to-day surveillance because they did not have their own people out steaming in the park searching at random. By integrating the Customs intelligence they are now able to go out, target and interdict. Similarly, Customs does a tremendous job for us at the barrier on wildlife being smuggled into and out of this country, which is a big—

Senator McLUCAS—I do not want to interrupt, but I want to know how you come to that number of \$243 million?

Mr Beale—That is the money that Customs spends.

Senator McLUCAS—Doing?

Mr Beale—Doing its barrier surveillance work.

Senator McLUCAS—A little bit of which are the things that you are talking about: identifying potential vessels that might be vectors of whatever.

Mr Beale—That is correct.

Senator McLUCAS—But they do a lot of other things with that \$243 million, don't they?

Mr Beale—There are joint products. When they do a flight, they will provide advice to a range of agencies beside us.

Senator McLUCAS—But the \$243 million could ostensibly turn up in AFFA as well, as providing quarantine services.

Mr Beale—There is certainly an element in providing the quarantine barrier as well.

Senator McLUCAS—And, it might turn up in Defence or a whole range of other portfolio areas. That same bucket of money might be serving a whole range of different purposes.

Mr Beale—It has a range of different purposes. Customs would probably argue that it is what is called a 'joint product' technically.

Senator McLUCAS—Sure, so we cannot really say that that is an environmental expenditure.

Mr Beale—We can say that is an expenditure that has very direct and important environmental connections.

Senator McLUCAS—I accept that. If you want to quantify the environmental value of an expenditure of \$243 million out of the public purse, it is hard to say that out of Customs we have \$243 million worth of tree planting, water conservation measures or things that you would normally attribute to the environment budget.

Mr Beale—But in a sense this is the way in which, in the wildlife area, for example, we intercept illegally moving beasts and plants.

Senator McLUCAS—Is that risk analysis? Is that risk assessment? If we got foot-and-mouth into the place, it would cost us heaps.

Mr Beale—Partly, it is intelligence that we all provide. We swap it with Customs, and vice versa. I understand what you are saying, and that is that the Customs expenditure is a joint product, if you like. As they do this surveillance and provide this barrier service, they meet a whole range of departmental, government and community objectives. They are very important to us.

Senator McLUCAS—I do not doubt that; I really do not doubt it. Living in northern Australia, I know the value of Customs. I am just trying to attribute a real value to it. How do we measure an economic value of \$243.5 million in this budget? It seems to be very notional.

Mr Beale—It is a cost of input.

Senator McLUCAS—It is an input cost; it is not an output cost.

Mr Beale—That is right.

Senator McLUCAS—I think it is a difficult thing for the community to understand when it sits there in a budget paper as 'environment expenditure'. Do you understand the point that I am making?

Mr Beale—I understand, Senator.

Senator McLUCAS—Surely, this is a document that the community needs to understand.

Mr Beale—Do you also understand the point that I am making, which is a critical element—

Senator McLUCAS—Certainly.

Senator CARR—Mr Beale, I take you back to the question of underspends. In the budget statement of 14 May 2000-01, you thought that the department was going to spend \$395 million by the end of June. But, in June, you revealed that you had actually only spent \$284 million. Can you explain why it is that, in May, you think you are going to spend that amount of money, you tell the country that you are going to spend that amount of money, through the budget, but within in a couple of months you have not spent that amount of money? Are your systems so poor that you cannot pick up the underspend six or eight weeks before the end of the financial year?

Mr Beale—I indicated that we would provide, on notice, those areas of underspend. As I said before, there are a number of quite major purchases that pushed forward into the next financial year, and we had accumulation of these across my portfolio and across AFFA in that particular year.

Senator CARR—I understand the argument that you put. But the problem is that, if we compare 2001-02 with 2002-03, there are underspends in the following areas: air pollution in major cities, Australian oceans policy, Bushcare, coasts and clean seas, endangered species, farm forestry, FarmBis, fisheries action, Landcare tax credits, Murray-Darling Basin, national feral animal control, National Land and Water Resources Audit, National Landcare, national reserve system, national river health, national river health again—there are two separate programs, national weeds, national wetlands, waste management awareness, Waterwatch—no, you have slightly overspent in Waterwatch—and world heritage. That is just about every program, is it not?

Mr Beale—As I indicated to you, well over 50 per cent of the underspends were across a range of programs. Perhaps I can give you some examples. In Bushcare the underspend was \$18½ million, and \$11 million can be attributed to slow progress with the Cape York Natural Heritage Trust Plan, where we have very real ambitions. We were unable to deliver because of the delays in the complexities associated with addressing native title; identification of traditional owners; negotiations with states on an appropriate policy framework for acquisition; and the competing aspirations of land-holders, traditional owners and conservation interests. The Tasmanian Regional Agreement Private Forest Reserve Program contributed some \$4 million to that Bushcare underspend. That program relies on the voluntary contribution of land-holders. There was slow progress in getting land-holder

confidence in the programs—slower progress than we thought there would be. They were also concerned about the capital gains tax implications, and that impediment was substantially removed last year. That program is now beginning to move forward rapidly.

In relation to the National Landcare Program, which is \$21.4 million of that underspend, the one-stop shop program did not proceed as planned. This was particularly due to geographically specific adverse seasonal conditions—sometimes too wet and sometimes too dry—and the non-availability of skilled personnel. Some significant projects, some really major projects, were delayed by the need to obtain environmental clearances. For example, for the Loddon-Campaspe waste water project in Victoria, and the upper south-east project in South Australia, there was a large carryover of funds allocated to meet government commitments. For example, the commitment of 10 per cent of the trust to Tasmania, which was taking somewhat longer to have—

Senator CARR—Can you table the document that you are reading from?

Mr Beale—I would have to look at it, but I do not think there would be any difficulty.

Senator CARR—Thank you. As I say, from my reading of the 22 programs I have read out, there are only two programs that were not underspent. The issue I am raising here is this: if, in May, you do not really know what you are going to spend, why should you say so in the budget? Is there not a question here about the charter of budget honesty?

Mr Beale—I would resent any suggestion that any forecasts were made dishonestly. Have we needed to tighten the relationship between forecasts and expenditure? Absolutely. Have we worked very hard on that? Yes, we have. Do I expect, this year, to hit the expenditure for the NHT pretty well on the button? Yes, I do.

Senator CARR—All I am saying is that the budget comes down in the second week of May, or thereabouts, and six weeks later we get to the end of the financial year. You are not able to predict that figure six weeks before the end of the financial year, out of your 22 programs?

Mr Beale—I have explained that the bulk of that difference in expenditure is in the three major program areas I have identified. The budget papers, of course, are put together somewhat earlier than the budget is produced so that six weeks is a little arbitrary.

Senator CARR—That is the public position. It is announced in the budget that you are going to spend this much; then six weeks later we discover you have not spent that much for the previous year. Some of these projects, as you say, are significant underspends; for others, like air pollution in major cities, the whole program was only \$5 million, which you actually underspent by \$3.1 million. On an individual program-by-program basis, the underspends are often quite significant. I accept the manner in which you have approached this problem and the openness with which you address the problem. All I am saying is that it does suggest to me that there is a substantial budgetary problem within the department.

Mr Beale—Senator, when I appear before you this time next year, I hope that you will look at the expenditure rate this year and observe that we are on the nail when compared to the budget forecasts. I expect 2001-02 to be so. Certainly this is an extremely high priority across the program delivery areas. The NHT has been a new program of very large expenditure across a huge range of projects—11,900 individual projects—ramped up quite rapidly. There is no doubt that we were probably over-optimistic in our forecasts of what we could spend properly. We thought it was more important to get value for the projects than to push the money through.

Senator McLUCAS—Moving to NHT, Senator Hill's environment statement of 2000-01 said:

The Government has committed \$1.5 billion to the Natural Heritage Trust over six years ...

Subsequently, in a press release of 20 May this year, Minister Kemp said:

By 30 June the entire \$1.3 billion originally committed will have been spent on Trust programmes.

What was the actual figure: \$1.5 million or \$1.3 million?

Ms Schweizer—The minister's press release says:

By 30 June the entire \$1.3 billion originally committed will have been spent on Trust programmes.

What he was alluding to is that by the end of this financial year we expect to have spent the \$1.3 million that has been committed in that time period. Our current calculations suggest that we will come in pretty close to that by 30 June—that is, up to the end of that year.

Senator CARR—Is that a plain English reading of that expression? You have been in the Public Service for a while. Is that a plain English reading of what that would mean to the ordinary citizen? Bear in mind that I have had extensive experience with Dr Kemp's press releases in Education. They follow their own logic.

Mr Beale—Please, Senator, I did not hear the question, but—

Senator CARR—I have made my point, Mr Beale.

Senator McLUCAS—I will start again. The environment statement by Senator Hill in 2000-01 says:

The Government has committed \$1.5 billion to the Natural Heritage Trust over six years ...

In a press release from 20 May this year, Minister Kemp says:

By 30 June the entire \$1.3 billion originally committed will have been spent on Trust programmes.

How much was originally committed? What figure should the community accept as being real?

Mr Beale—In relation to NHT, there was a figure committed of \$1.5 billion, of which \$300 million, adjusted by an index number, had to stay in the statutory reserve; it had to remain in the fund at the end of that period. That left in the order of \$1.2 billion for expenditure from the fund, once the statutory reserve is deducted from that original \$1.5 billion. That is the sum that has been expended. I will defer to my more technically expert colleagues who run the trust, but I believe that that is the situation.

Mr Hunter—That is my understanding. As Ms Schweizer said, the \$1.3 billion that was referred to would be our expectation of the expenditure of that original NHT1 commitment, with the additional \$250 million which was added as a result of the sale of Telstra 2 to be spent by the end of the current financial year.

Senator McLUCAS—Do you expect that to be completed? I think Mr Beale has actually said that that money will be expended by that period of time.

Ms Schweizer—That is what our tracking has shown, and we are checking it on a regular basis. That is probably a rounded up figure, so it might not exactly be \$1.3 billion, but it would be pretty close to that.

Senator McLUCAS—The \$300 million is the reserve money which does not add up to between \$1.3 million and \$1.5 million, but I suppose we could accommodate \$100 million here and there.

Senator CARR—Let us be clear about this; it is misleading. The word ‘entire’ means entire. In the English language ‘entire’ means entire, not a bit kept on the side. Do you think we are all mugs? I know Dr Kemp thinks he can get away with this sort of stuff, but frankly it is not good enough. It is misleading.

Mr Beale—I take that as a rhetorical question.

Senator CARR—No I am making a statement.

Senator TCHEN—I do not think estimates is really a time to make a political statement.

Senator CARR—I am making a statement about the word ‘misleading’ in the context of a press release that the minister puts out saying that an entire amount of money will be spent when it will not be.

Senator TCHEN—Make it in the chamber. Today you are supposed to be looking at the budget. I just query it. It is a challenge if you like.

Senator McLUCAS—I understand the NHT was originally supposed to be over five years but it has been extended for one extra year. Can you tell me how much money was rolled over from that original five-year commitment into the additional sixth year?

Ms Schweizer—I am sorry, could you say the question again.

Senator McLUCAS—The original NHT program was a five-year program. Is that right?

Ms Schweizer—That is correct.

Senator McLUCAS—Then it was extended for one more year.

Ms Schweizer—Yes.

Senator McLUCAS—Can you tell me the amount of money that was rolled into the sixth year, that we are currently in, for its operation in that last, ostensibly final, year?

Ms Schweizer—No money was rolled over into the sixth year. It is the original estimate for the sixth year.

Senator McLUCAS—I am sorry, I do not understand; it was a five year program in the beginning.

Ms Schweizer—The five-year program was extended by a further year due to the sale of the second tranche of Telstra and additional funding was provided for that purpose.

Senator McLUCAS—And that is the \$250 million for the final sixth year?

Ms Schweizer—That is correct.

Senator McLUCAS—Can we just go to the Cape York Peninsula NHT. Mr Beale has already given us some comments on that. I understand that there were some funds left in the \$40 million that was committed to Cape York Peninsula by the government in 1996. Can you tell me how much is left in that fund currently?

Ms Dickson—You are asking the question of how much of the original \$40 million commitment is not spent? I am just checking the figures here. I think there is still around \$20 million to be spent. A total of \$21.5 million has been approved so far under the plan.

Senator McLUCAS—\$21.5 million has been approved?

Ms Dickson—\$21.5 million. Not all of that would have actually been expensed yet, but that is the amount that has been committed.

Senator McLUCAS—So that leaves \$18.5 million unspent. What happens to that money?

Ms Dickson—That commitment to \$40 million is still for Cape York; activities will still continue under the second phase of the trust. That expenditure on the Natural Heritage Trust component of the Cape York plan will continue.

Senator McLUCAS—Will it be called the Cape York plan? Will the RAP still exist? Will the current structures still exist or will it revert to the Bushcare-Landcare-Coastcare program?

Ms Dickson—It will be part of the integrated delivery under the new programs so it will be part of the regional delivery. It has not yet been determined exactly how that is going to be delivered into the future. We have not yet even started discussions with Queensland about the non-NAP regions—how regional delivery is going to be done in Queensland as a whole, how they are going to divide their region. Exactly how that will work is still to be developed.

Senator McLUCAS—How much is left in program 1 of the Cape York Peninsula NHT, which was the acquisitions program?

Ms Dickson—I do not think anything in the acquisitions program has been spent.

Senator McLUCAS—I think you are right.

Ms Dickson—I will check those figures. There is \$6 million left of the Cape York acquisitions program out of a total of around \$7 million. Annemarie, could you give the exact figures?

Dr Watt—Certainly. The program has been slow to expend, mainly because the committee that is looking at the expenditure has been slow to make decisions. There is about \$6 million left in the acquisitions budget, even though it is only a nominal allocation. We have about \$2.6 million going through at the moment; it is with the minister for approval in Queensland.

Senator McLUCAS—For acquisition?

Dr Watt—Yes. That is right. Money is actually starting to flow through that program at the moment.

Senator McLUCAS—So are you saying that the problem with progress has been the committee?

Dr Watt—Yes. It has been making decisions about which properties should be prioritised. There have also been a few problems with knowing the properties were coming up for sale. Queensland has been responsible for that part of the program—informing the Commonwealth that properties are coming up for sale.

Senator McLUCAS—When you say ‘Queensland’, what part of the Queensland government?

Dr Watt—The National Parks and Wildlife Service in Queensland.

Senator McLUCAS—In the last five years how many properties has Queensland purchased in Cape York?

Dr Watt—I do not know the answer to that but we could find out for you.

Senator McLUCAS—It is quite a few. It is interesting that they cannot tell you; they would rather purchase. I find that unusual.

Dr Watt—It is unusual but we are certainly trying to resolve that situation at the moment.

Senator McLUCAS—Maybe the problem is not with the Queensland Parks and Wildlife Service but somewhere else. But that is rhetorical, as we say. So \$2.6 million is allocated out of that \$6 million for acquisition now?

Dr Watt—That is my understanding; it is roughly that amount.

Senator McLUCAS—What will happen to the remaining \$3.4 million?

Dr Watt—It is still being rolled out as part of the acquisitions program.

Senator McLUCAS—It will stay as acquisition money?

Dr Watt—That is right. That amount is allocated to the program this financial year. It is my understanding that that is going to move fairly quickly.

Senator McLUCAS—When you say ‘this financial year’, do you mean the current year or the coming year?

Dr Watt—We expect some commitments to be made against that funding this financial year.

Senator McLUCAS—By the end of June of this year?

Dr Watt—Yes. That is the expectation.

Senator McLUCAS—So do you expect the whole of the \$6 million to be spent by the end of this year?

Dr Watt—It is unlikely, but we have been advised by Queensland that that is a possibility.

Senator McLUCAS—That is a lot of movement very quickly.

Dr Watt—Yes. Given the pace at which it has been going to date, it might be unlikely.

Senator McLUCAS—The second program was about national park management. How much money is left in that program?

Dr Watt—I will have to take that on notice. I am afraid I do not have that figure.

Senator McLUCAS—I am advised that it is somewhere in the vicinity of \$4 million and that it sits there still. No-one has anything that could support that?

Ms Dickson—No.

Senator McLUCAS—In a principle sense then, what will happen to that money?

Mr Hunter—As Dr Dickson has indicated, the remainder of the government’s commitment, the up to \$40 million, will be met through the delivery of the Natural Heritage Trust extension. So the government remains committed to providing that funding, but will do so through the NHT extension.

Senator McLUCAS—It is the relabelling, I suppose, that concerns me. We have been through a long process and we have had the experience now about enormous activity in the last seemingly very short time in the acquisitions program. If we are going to say we are going to relabel everything into Bushcare and Landcare and Coastcare, and whatever else we are calling NHT now, do we say to the people of Cape York, ‘Just hang on, we will just sort it out again for a period of time again?’

Mr Hunter—We will be having discussions with Queensland, commencing very shortly, on the bilateral agreement to give effect to the NHT extension. It would be in those discussions that we would be settling the details of the arrangements for regional delivery of the NHT extension in all parts of Queensland. We would, of course, be entering those discussions with a view to trying to maintain momentum that has been created in terms of delivery of NHT programs generally and so we would be very much alive to the particular needs of the Cape York region, as indeed we would be for all regions, in terms of negotiating those bilaterals.

Senator McLUCAS—Given the history of Cape York and the fact that we have been trying to do this planning now for nearly 11 years, that we have been involved between the state and the federal government, do you think it would be appropriate that, instead of trying to rebadge everything, we let this money complete its task instead of ensuring that the national program—the new NHT—has to be delivered in that national way in Cape York Peninsula? We are about half way through spending \$40 million. It has taken much longer than anyone would want. Can't we continue with the structure and the form that we have got instead of having to go through another process of restructuring? Isn't that something that we could consider doing?

Mr Hunter—As I indicated, I think the Commonwealth will be very mindful in its discussions with Queensland, as it will be with all states, about putting in place arrangements for the delivery of the NHT extension which build on, rather than try and reconfigure in any fundamental way, arrangements which are working at the regional level across Australia. So I would envisage that in the case of Cape York in particular we would of course be trying to build on what has taken place in the past, but also trying to move things forward as well so that we have delivery arrangements which work and which are capable, in particular, of serving one of the key elements of the delivery of the NHT extension, which is about having integrated approaches to planning and delivery of natural resource management programs, including those funded through the NHT.

Ms Dickson—I will just add some more to that. It is worth knowing, in light of what Mr Hunter was saying, that most of the expenditure that the current regional assessment panel that operates in Cape York handles has been dealt with already in the Cape York plan. The areas of underexpenditure, which we have just run through, have been the reserve acquisitions, the protection of conservation reserves—for which I have just found the figure: there has been none spent—

Senator McLUCAS—Is that number 2?

Ms Dickson—Yes, that is strategy 2. And the other one has been the property planning, which is substantially underspent. In all of those components of the plan, the major underexpenditure of the plan has not been the responsibility of the regional assessment panel working with the NHT. So a key issue that has to be considered—and a lot of things need to be taken into account—is which is the most effective way to deliver on the overall objectives for the cape that the regional organisations and the communities are keen to have happen. Although there have been existing structures, a lot of them have obviously not been working all that well, with the substantial amount of underexpenditure. So both governments are going to have to consider how well things are going to be delivered into the future.

Senator McLUCAS—I think the Commonwealth needs to be aware of the frustration that people on Cape York Peninsula have about the obstacles that are being put in the way of the expenditure of this money. I report to you that much of the blame has been sheeted home to the Commonwealth for being obstructive in terms of the acquisitions program. It is not necessarily you as individuals, and I make that very clear, but it is seen as the preserve of the Commonwealth—that is, that the obstacles have been in our arena. I want to put on notice a request that you run through the 10 programs of the NHT for Cape York and tell me what has been spent, what is proposed to be spent before the end of June and what is going to be left in that bucket after June.

Mr Hunter—We would be happy to do that.

Senator CARR—I have a series of questions that I will put on notice as well: a request that copies of reports, papers and documents referred to in the annual report be provided and

questions on the facilitator networks, investment in Landcare activities, building regional capacity, national land and water resources audits, FarmBis, Bushcare, the National Weeds Program and the Murray-Darling program. Given the hour, I think it might be better if I put those on notice.

Senator BARTLETT—I would like to ask another question on Cape York, while we are up there. I want to clarify one thing: going through what has been acquired so far, or what has not been acquired so far but is in the pipeline, you say you have got an acquisition committee that assesses where the most appropriate tracts of land to buy are. Is that correct?

Dr Watt—There is a process in place which helps to identify which properties we might target, but it is a voluntary program so it is dependent on land-holders either coming forward to offer their properties up or for them to naturally put it on the market for sale.

Senator BARTLETT—How do you assess what the most desirable properties to buy are?

Dr Watt—In terms of prioritising acquisitions, we have an analysis that we do internally within EA to look at what areas are underrepresented in the current national reserve system, and that certainly helps inform our decisions. Queensland also play a large part in that it is a joint decision making process, so they also have systems or assessments that they use to identify priority properties. That is the way we have been moving forward at the moment.

Senator BARTLETT—So which person or group of people makes the decision, ‘Okay, this is the next cab off the rank,’ or, in this case, the first cab off the rank?

Dr Watt—To date, it has been Queensland coming forward with a proposal to the Commonwealth and then us assessing that against our criteria. If it meets our criteria, then we move forward into negotiations.

Senator BARTLETT—Is it solely an internal departmental decision within EA as to which properties to target?

Dr Watt—In so much as we can have an idea of what properties might be desirable, but, as part of the arrangements that we have for identifying properties for acquisition, Queensland is responsible for making the proposals.

Senator BARTLETT—So you rely initially on proposals from the Queensland government and then assess them once they come forward?

Dr Watt—That is right. We have an informal process in place in which, if a property is coming up, they will mention that to us and that it may be of interest, as well as the more formal process of them putting in a proposal to us.

Senator BARTLETT—That was all that I had to ask on that area.

Senator CARR—Can I turn now to the National Action Plan for Water Quality and Salinity. Ms Rankin, are you handling this matter or is it Mr Hunter?

Mr Hunter—It will depend on the detail of your question.

Senator CARR—In the Governor-General’s speech we were told:

A whole of government approach to sustainable environment issues is to be one of the highest priorities in the government’s third term.

However, when I actually look at the budget allocations, I see that less than half the money allocated for the national action plan for 2001-02 was actually spent and that \$65 million was promised in last year’s budget but only \$30.6 million was spent. Can you confirm those figures?

Mr Hunter—The estimate for the expenditure in the current financial year is \$30.6 million. That is correct.

Senator CARR—But there was a \$65 million commitment in the previous year.

Mr Hunter—The original estimates for the national action plan had that figure in them. I can give you some background to that expenditure and to the other changes.

Senator CARR—Why don't we just finish the picture here and just make sure I have got it right in my own mind. There is a \$49 million reduction in 2002-03 and a \$52 million reduction in 2003-04. Is that correct?

Mr Hunter—Those funds which were in the original estimates for the national action plan in those two years, the \$49 million in 2002-03 and \$51.8 in 2003-04, remain committed to the national action plan. The figures for 2005-06 and 2006-07 have been increased commensurately to maintain the commitment.

Senator CARR—So in the forward estimates period that we would normally deal with, there is a reduction of \$148 million. Is that correct?

Mr Beale—There is not a reduction in the program, but the last year of program expenditure will be in the year after the period covered in the tables. The reason for the reduction in expenditure is that there was a slower start to the program than we had expected. While we got a very good and enthusiastic commitment by all heads of government at COAG in November 2000, translating that into signatures on an intergovernmental agreement and then, more particularly, bilateral agreements, was very slow. It was much slower than we expected. During the year, those agreements needed to be in place before substantial expenditure could take place. Those agreements are now in place with all of the principal states, with the exception of Western Australia, which I believe has now signed the intergovernmental agreement.

Mr Hunter—It has indicated that it will sign it, yes.

Mr Beale—It has indicated that it will sign it and it has indicated to me as late as last night that it is looking forward to working on the bilateral agreement together with us. We would be expecting those funds to be well placed to flow.

Senator CARR—So can I confirm the figure of \$148.3 million? Is that the amount of reprofiling that has occurred?

Mr Beale—Yes.

Senator CARR—Thank you. Given that you say it is the states' fault for this—

Mr Beale—I said it took time for us to reach bilateral agreements. That is a fact.

Senator CARR—Well, let us just go through some of them. When did the Commonwealth receive the signed bilateral agreement from Queensland?

Ms Dickson—Queensland sent a signed bilateral but that was not a bilateral that the Commonwealth and Queensland had jointly agreed to.

Senator CARR—No, can I just get this clear: when did you receive a signed document from Queensland?

Mr Beale—Senator, we received a unilaterally signed copy of an agreement from Queensland. I cannot recall the precise date. But that signed copy of the bilateral agreement had some significant changes from the text that had been earlier discussed among officials. As a result of that it was not actioned, because it did not meet the conditions that the

Commonwealth thought were important and appropriate to get the outcomes from this agreement.

Senator CARR—I see the point you are making, Mr Beale. Can I just get it clear, though: when did the state of Queensland send you a copy of its—

Mr Beale—Of its proposed agreement.

Senator CARR—What do you call it—the unilateral bilateral? When was that received?

Mr Beale—I can take that on notice and get back to you.

Senator CARR—I would appreciate the precise date, but what do you think it was roughly?

Mr Beale—I cannot recall.

Mr Hunter—My recollection is that it would be in the second half and probably late in 2001, but we would have to take that on notice to give you a precise date.

Senator CARR—When did the Commonwealth sign it?

Mr Hunter—We did not sign that bilateral.

Senator CARR—Have you signed it now?

Mr Hunter—We have.

Mr Beale—We reached a very good agreement with Queensland.

Senator CARR—When did you do that?

Ms Dickson—On 1 March.

Senator CARR—This year?

Ms Dickson—This year.

Senator CARR—I see. So it has taken quite a few months to get this sorted out.

Mr Hunter—Once the unilaterally presented signed bilateral from Queensland reached the Commonwealth, we then engaged in some considerable further discussions with Queensland and reached a satisfactory outcome of those discussions, with the result that the bilateral was signed by both parties in March.

Senator CARR—I understand the point you are making, Mr Hunter. But it seems to me that it is a bit unreasonable to assert that it is the states that have dragged the chain on this when it was the Commonwealth that took so many months to sign it.

Mr Beale—Senator Carr, I think the point that we made was simply that we could not provide substantial funding until the bilateral agreements had been completed. The bilateral agreements needed to reflect the intergovernmental agreement. We are now satisfied that all of the bilateral agreements that have been executed do that, and do that well. In relation to Queensland, there were extended negotiations. There was a provision of a unilaterally signed bilateral agreement. There were some further negotiations. Those negotiations began to move rapidly forward in the early part of this calendar year and we were very happy to sign a good agreement with Queensland in March.

Senator CARR—I am pleased for you, Mr Beale. Can we just have a look at New South Wales: when did they send you a signed bilateral agreement?

Mr Hunter—The bilateral agreement with New South Wales was signed in May this year. In fact it has just been signed by the Prime Minister.

Senator CARR—No, sorry: when did New South Wales send you a copy of a signed document?

Ms Dickson—We would have to check the date but I think it was about a week before we signed it.

Senator CARR—So it was in May this year?

Ms Dickson—Yes.

Senator CARR—And Victoria?

Ms Dickson—When was Victoria signed?

Senator CARR—When did the Victorian government sign?

Ms Dickson—It was signed on 2 October.

Senator CARR—When did the Commonwealth sign?

Ms Dickson—That date is when the both parties had signed.

Senator CARR—When did the Victorian government sign? That is the question I asked.

Mr Hunter—We would need to check that, but my recollection is that, again, it was a matter of a week or so.

Mr Beale—Yes, of days or weeks. The protocol usually is that once an agreement has been reached the relevant Premier signs the document and then it is provided to the Prime Minister for signing. The unusual circumstance in Queensland was that an agreement had not been reached. Is that correct, Mr Hunter?

Mr Hunter—That is correct; absolutely.

Senator CARR—It seems to me that we have got three cases here where we have signed agreements. Therefore, the claim that the states are at fault in being slow to sign these documents is a bit misleading.

Mr Beale—We have just heard that the agreement with New South Wales was signed in May. Which year was that?

Mr Hunter—This year.

Mr Beale—The agreement with Victoria was signed in October. The agreement with Queensland was signed in March this year.

Senator CARR—So we have got half the money actually spent. You have your revised forward estimates dramatically downgraded. Do you still blame the states for that?

Mr Hunter—The forward estimates also reflect the estimates the states themselves have made in relation to the availability of their funds in pursuit of the national action plan. Those state estimates could not have been available to us when these original national action plan estimates were made. These reschedulings also reflect the commitments of the states to the roll-out of their funds.

Mr Beale—In short, it is a combination of state budgetary priorities as well. They needed to create the room to match the Commonwealth expenditure and the agreement of effective bilaterals reflecting the IGA. That explains the delay in the expenditure.

Senator CARR—Could we turn to the Tasmanian World Heritage funding. Who is the officer?

Mr Beale—No, that is an entirely different program.

Senator CARR—I am going to put the rest of these questions on notice. I would like to deal with one other issue. I have a significant number of questions on heritage matters, which I trust you will be able to deal with on notice.

Mr Beale—Have we completed the Natural Heritage Trust?

Senator CARR—There was one other matter that I did ask about before. What was the funding for the Natural Heritage Trust TV campaign prior to the election?

Mr Woods—In 2001-02 the media spend for the TV advertisements was \$2.18 million.

Senator CARR—When did those ads run?

Mr Woods—It depends on what we are talking about here, which aspect of the campaign. There was a series of TV advertisements. I think at the last hearing I gave some evidence that indicated that these TV advertisements have gone back to 1998-99. But there was a series of TV ads that were shown from May to August, and then that series was continued through September to October.

Senator CARR—That is the \$2.18 million. How much was spent in May to August?

Mr Woods—There was a cross-over, obviously, in financial years. The amount spent on the media spend in the May to August campaign was \$1.19 million.

Senator CARR—And what were the dates in September?

Mr Woods—I am not quite sure. I do not have the precise commencement date for September.

Senator CARR—They finished in September, did they?

Mr Woods—No, they ran from September through to October. They were due to continue after October but were cancelled at the time of the election.

Senator CARR—So they went right up to the caretaker period of government?

Mr Woods—Yes. They were intended to run through until February this year but were cancelled because of the election.

Senator CARR—So how much did you spend in that September-October period?

Mr Woods—We spent exactly \$991,733.

Senator CARR—And how much was spent after October?

Mr Woods—After October we started promoting the Australian Government Envirofund—

Senator CARR—So in relation to the Natural Heritage Fund moneys, that campaign ended?

Mr Woods—The Australian Government Envirofund is a component of the Natural Heritage Trust extended.

Senator CARR—So the Envirofund campaign started after the election, did it?

Mr Woods—It did.

Senator CARR—What date after the election?

Mr Woods—It commenced in April and is running through to June.

Senator CARR—That is a fair way after the election. How much did you spend on that?

Mr Woods—The media spend for the Australian Government Envirofund campaign was \$482,000. Part of that is expended money; part of it is committed, given that it runs up until June.

Senator CARR—It is a substantially lesser amount than the amount spent just before the last election, isn't it?

Mr Woods—The Australian Government Envirofund is a small component of the Natural Heritage Trust overall.

Senator CARR—Who makes the decision to allocate this money?

Mr Woods—The Natural Heritage Trust Ministerial Board.

Senator CARR—Who is on that?

Mr Woods—Minister Truss and Minister Kemp.

Senator CARR—So it is made at ministerial level?

Mr Woods—It is.

Senator CARR—Was there a ministerial decision to spend the money on the Envirofund?

Mr Woods—Yes.

Senator CARR—So both these campaigns were authorised at ministerial level?

Mr Woods—All of these campaigns were authorised at ministerial level.

Senator CARR—Have you had any evaluation of them?

Mr Woods—We are in the process of organising some market research at the moment.

Senator CARR—What sort of market research are you organising?

Mr Woods—We will undertake some focus group testing. The intent is to gauge the effectiveness of the campaign.

Senator CARR—Can I have a copy of the questions?

Mr Woods—I have not seen the questions myself as yet. We have only just organised a contract with the market researchers.

Senator CARR—Who is doing the market research?

Mr Woods—Wirthlin Worldwide.

Senator CARR—Was that a selective tender?

Mr Woods—It was a select tender originally. Wirthlin Worldwide and its predecessor, Australasian Research Strategies, have been carrying out market research in relation to the NHT campaigns since their commencement.

Senator CARR—You say it was a select tender, so how many providers were called for?

Mr Woods—There was one other company contacted, I believe. I am now testing my memory—this is going back to 1998.

Senator CARR—So this company has had the contract since 1998?

Mr Woods—It has.

Senator CARR—And there was an automatic extension on it, was there?

Mr Woods—Part of our normal arrangements with campaign advertising is to seek approval from the Ministerial Committee on Government Communications, and that committee has endorsed the continued use of the market researcher.

Senator CARR—So that too is made at ministerial level?

Mr Woods—Yes.

Senator CARR—Does the department have any say over it at all?

Mr Woods—The department is involved in developing budgets for expenditure on Natural Heritage Trust communications.

Senator CARR—Do you make any recommendations in terms of the evaluation of the effectiveness of this particular provider?

Mr Woods—We have had no reason to doubt the effectiveness and the quality of the service provided by this market researcher.

Senator CARR—So there is no review of their performance.

Mr Woods—There is ongoing review in a sense: each time market research is required to be conducted there is some consideration as to how we should conduct that market research. But given that the existing market researcher has been involved in the program previously and is across the issues, and because the Ministerial Committee on Government Communications has endorsed the market researcher, they continue—

Senator CARR—Do you have any evaluation reports that are available to the committee?

Mr Woods—Evaluation reports of the market research or of outcomes of the market research?

Senator CARR—No, of the market researcher.

Mr Woods—No, there were no formal evaluations.

Senator CARR—They have not been done, so there is no evaluation of this provider throughout the period of the contract.

Mr Woods—As I say, there has been evaluation of the market researcher in the sense that, when there is some new market research to be conducted, we consider whether or not we should be looking to another market researcher, but the established practice with campaigns is that you continue to use the existing market researcher unless there is some reason why you would not.

Senator CARR—But since you are not evaluating them, how would you know?

Mr Woods—We have been, obviously, considering the outcome of the market research and the reports they have provided to us. We have had no reason to express or indicate any concerns about the quality of the work.

Senator CARR—What is the nature of the evaluation of the market research itself that you have undertaken?

Mr Woods—We rely on the expertise of the market researcher.

Senator CARR—So the company tells you how well it is doing.

Mr Woods—No, I am talking about the market research itself. This is a professional market research company that we are dealing with, and we would not have appointed them in the first place if we did not believe that they could do a quality job.

Senator CARR—But you did not appoint them at all; it was a ministerial appointment.

Mr Beale—I do not think the senator is asking about the research. He is asking about the evaluation.

Mr Woods—Sorry, Senator, I need clarification.

Senator CARR—Obviously, I need to explore both aspects of this. I am interested to know what the evaluation of the research itself has been—that is, how well this campaign works. Let's take it on face value that this is not a political campaign to get the government re-elected. Let's assume that for a moment. What evaluation can you show me that this campaign, which expended over \$2 million just before the election, actually met the objectives that were set when the campaign was initiated—that is, the public objectives?

Mr Woods—Part of our standard operating procedure is to do market research before a campaign is developed to ensure that the campaign is properly conceived. After the campaign is run, or during the campaign, we do tracking research to assess how effective the campaign has been. So the fact that the campaign has continued over an extended period of time now would indicate that there has been satisfaction with the tracking research that has been conducted into the effectiveness of the campaign.

Senator CARR—Mr Woods, that is not what I am asking you. I think the campaign is continuing because the government sees a political advantage in the campaign continuing. What I would like from you, though, in terms of your responsibility as a public servant, is what evidence you can show me that the Public Service objectives—the program objectives—are being met.

Mr Woods—There is an issue here as to what I can say about the outcome of the market research.

Senator CARR—What is so secret about it?

Mr Woods—There has been extensive questioning on this issue in the past, and the difficulty I have is that—

Mr Beale—Senator, we will take that question on notice, ask the minister what information we can provide and come back to you. Mr Woods is pointing out that this information has been sought in the past. The minister in the past has indicated that that is a matter to which he would wish to give his attention. We will raise it with Dr Kemp.

Senator CARR—Thank you, Mr Beale. I am new to this portfolio; I have not been working in this area for a couple of years. When was the last time you had a return to order on this market research?

Mr Woods—I am not aware that we have.

Senator CARR—You have not had one? How do you normally deal with return to orders, then?

Mr Woods—I have to rely on my general understanding of return to orders, but there is an obligation on the part of the relevant minister or the senator representing the minister in the Senate to respond to the return to order within a certain period of time.

Senator CARR—That is right. Do you take them seriously, Mr Beale?

Mr Beale—Clearly I take all of the obligations—

Senator CARR—Thank you very much. What is the total value of contracts that the Natural Heritage Trust has given to Worldwide for advertising?

Mr Woods—To date, the total amount provided to Wirthlin Worldwide and its predecessor, Australasian Research Strategies, is \$445,000. There is also a current contract—we have not expended the money as yet—which involves an amount of \$8,800.

Senator CARR—What has been the total media buy for advertising the Natural Heritage Trust?

Mr Woods—I will have to run through the figures year by year and perhaps seek some assistance with the addition. In 1998-99 the media buy was \$1.74 million; in 1999-2000 the media buy was \$2,600; in 2000-01 the media buy was \$3.5 million; and in 2001-02 the total media buy so far has been \$2.7 million.

Senator CARR—That is a lot of money, isn't it?

Mr Woods—It is a large program.

Senator CARR—It is a lot of money to be spent on TV ads.

Mr Beale—One of the very important issues associated with natural resource management generally, but particularly with the trust national action plan and so on—this was brought to our attention quite sharply just last evening by the Biodiversity Advisory Council and the national Landcare Council—is the need to bring to the minds of the Australian people the very important issues that these represent nationally, the programs that are engaged in dealing with them and the way in which people can contribute to those programs. As I said, this is a combination of community, farm, conservation and expert groups that only last evening were emphasising to the minister the importance of maintaining a high public profile for these programs—including in the cities where, in a sense, most of the funds come from.

Senator CARR—Thank you, Mr Beale. That is an extraordinary apology for \$8 million worth of public money going on a media buy, which many people see as directed—

Senator Ian Macdonald—Do you have a question, Senator?

Senator CARR—Yes, I do.

Senator Ian Macdonald—What is it?

Senator CARR—My question is: what evidence do we have to support the claims you have made in regard to the \$8 million worth of public expenditure on these political campaigns?

Senator Ian Macdonald—I was not here, but I am sure the officer did not say it was a political campaign. Do you have another question that is relevant to the committee?

Senator CARR—I have asked my questions and I will be looking forward to the answer, Mr Beale.

Senator Ian Macdonald—It is not a political campaign, and so we will not have to answer it.

Senator CARR—I am glad to see that you have come back. It has been, what, a long evening for you?

Senator Ian Macdonald—I have been in the territories estimates, but it is so dull there I thought I would come back here. And here is Senator Crossin again.

Senator CROSSIN—You are just following me.

Senator Ian Macdonald—I am following you around, Senator Crossin.

Proceedings suspended from 9.14 p.m. to 9.25 p.m.

Mr Beale—Mr Chair, Mr Woods tells me that he inadvertently read the wrong figure. Could he correct that now?

CHAIR—Yes, Mr Woods. You may do that now.

Mr Woods—I gave a figure of, I think, \$2,635 spent on media for 1999-2000. That should have been \$2.6 million.

CHAIR—That is slightly different, but thank you for your clarification. Senator Bartlett?

Senator BARTLETT—I have some questions for the Heritage Commission.

Mr Beale—Mr Chairman, could I allow the staff from the Natural Heritage Division to go home now?

Senator BARTLETT—I do not have any questions for them.

Senator CROSSIN—Do we have in front of us officers from the Australian World Heritage Division?

Mr Beale—Yes, we have. I just wonder whether the officers from the Natural Heritage Division, having just been examined, could leave.

CHAIR—Do you have any Natural Heritage Trust questions? As there do not appear to be any further question, NHT can go.

Mr Beale—Thank you, Chair.

Senator BARTLETT—I have questions that relate to the Heritage Commission's role in the proposed detention centre at Christmas Island. This is possibly what Senator Crossin wants to ask about as well, and so I invite her to dive in, if appropriate. This line of questioning probably overlaps a little with EPBC waivers as well. That is a separate bunch of people, but it may be handy to have them here as well, as it is all about the one series of actions.

Mr Beale—We have been through a lot of questions—

Senator BARTLETT—Yes. I heard some of those, but the Heritage Commission's role has not been talked about—

Mr Beale—That is true. Do you wish to recall the Approvals and Legislation Division? It was dealt with earlier.

Senator BARTLETT—We will see how we go. I did hear most of the questions that were asked about the waiver that was granted.

Mr Beale—We have been through that at some length.

Senator BARTLETT—Yes, I heard that. It was not at extreme length, but it was at some length. I am focusing on the AHC, but I am simply saying that that may link in with issues that are more the province of those people. I am just making you aware of that. The immigration department and the territories department, as I understand it, jointly referred the proposed detention centre and related works to the AHC for assessment or comment under the Heritage Commission Act. Is that right?

Dr Reville—That is correct. Yes, we received a letter from those two departments, asking about their obligations under the Australian Heritage Commission Act.

Senator BARTLETT—When was that letter sent?

Dr Reville—The receipt stamp we have on the letter is 26 April 2002.

Senator BARTLETT—So that was about three weeks after the decision was made for waiving the EPBC requirements. Are you able to provide us with a copy of that notification? Is it just a simple letter saying, ‘Please look at this,’ or did they provide documentation along with it?

Dr Reville—I cannot remember the exact amount of documentation that came with it. There certainly was a letter explaining where they proposed to put the immigration centre.

Senator BARTLETT—How long did it take you to provide a response for them?

Dr Reville—We provided a response on 21 May.

Senator BARTLETT—What was that response?

Dr Reville—Normally, we would check with the receiving agency about the release of section 30 and, in some cases, check with the chairman on the detailed release. But basically the nature of the response was that we looked at the national estate values of the area near the immigration centre and related infrastructure and provided comment to them on what we thought could be possible effects on those national estate values and, of course, encouraged them to follow the procedure in the act. That is, if there were adverse effects, they would need to consider prudent and feasible alternatives to those effects; and, if there were no prudent and feasible alternatives, they would need to consider how they might minimise the effects on the national estate values.

Senator BARTLETT—Do you have to satisfy yourself that there are no feasible or prudent alternatives?

Dr Reville—No. With the way the act is organised, it is the responsibility of the proponent agency or minister to send the referral to the commission. The commission provides the advice. It is then up to the proponent agency or minister to consider the prudent and feasible alternatives and, if there are no prudent and feasible alternatives, to look at the issues for minimising the impact. That is the statutory position.

Senator BARTLETT—Section 30(2) of the act states:

Without prejudice to the application of subsection (1) in relation to action to be taken by an authority of the Commonwealth—

which would be DIMIA and the territories department—

an authority ... shall not take any action that adversely affects ... a place that is in the Register unless the authority is satisfied that there is no feasible and prudent alternative ...

So it is the authority that is taking the action that has to satisfy itself there is no alternative. Is that right?

Dr Reville—That is my understanding.

Senator BARTLETT—Did you consider whether there were any other alternative sites that would not have such impact on the national estate?

Dr Reville—We would not usually suggest the alternative sites in this case. We would normally point out to the agency the impact. If there were adverse impacts on the national estate, we would expect the agency to consider the alternatives. It does differ a bit from case to case. But normally we would tell them what the impacts are, and we would expect the agency concerned to consider the alternatives. If they wished to come back and seek our advice on alternatives and things like that, we would normally help them with that.

Senator BARTLETT—Have they communicated back to you? Are you involved in any ongoing sense?

Dr Reville—I am not aware of any communication since we have sent the letter.

Senator BARTLETT—So you are not anticipating to have any further role?

Dr Reville—I am not sure. It will be up to the agency; they may well come back to us. It has not been very long since they would have received the advice.

Senator BARTLETT—There is no expectation or requirement on your part that they get back in touch with you?

Dr Reville—There is no statutory obligation, but we usually find that Commonwealth departments are quite cooperative with us.

Senator BARTLETT—A department cannot take any action until giving you an opportunity to consider and comment on it. Is that the case?

Dr Reville—That is correct.

Senator BARTLETT—You gave them the advice about seven days ago, on the 23rd?

Dr Reville—It was the 21st.

Senator BARTLETT—Nine days ago?

Dr Reville—Yes.

Senator BARTLETT—So how could Minister Tuckey announce on 12 March—over 2½ months ago—that the project would be completed within six months when you were still more than a month away from even being told about the project, let alone making comment on it?

Senator Ian Macdonald—Senator, as you know, the officials cannot answer why Mr Tuckey could do that. That is beyond their jurisdiction. Again, as you know, we have been through this in the other estimates committee.

Senator BARTLETT—I know that we have been through it in the other committee. We seem to have the fortune of having it follow us around in relation to this one. But, obviously, I am looking at the role of this section of the department on this issue.

Senator Ian Macdonald—But your question was: how come Mr Tuckey can do that? This officer cannot answer for Mr Tuckey.

Senator BARTLETT—No, he cannot answer for Mr Tuckey. But what is the responsibility or statutory requirement of the commission, when you have projects announced and in train even before being notified of them, let alone providing comment on them.

Dr Reville—The act itself says that the proponent agency or minister has to make the decision about approaching the commission. The commission, as you can see from the legislation, has an advisory role when it is approached.

Senator BARTLETT—So, if people do not approach you and say, ‘Well, excuse me, this is actually in the national estate,’ you have no power?

Dr Reville—I do not believe we have any statutory power.

Senator BARTLETT—So you have no way of having your act enforced?

Mr Beale—That is correct.

Senator BARTLETT—That is a good act, isn’t it? Are you able to provide copies of the advice or opinion that you gave to the two departments?

Dr Reville—Normally, in a situation like this, we would contact the Commonwealth agencies who sought the advice, as it would be to them that we provided the advice; I would also check with the chairman of the commission to see whether he was happy about that. I would be quite happy to approach those two departments and to approach the chairman to see whether they would be happy about the release of that advice.

Senator BARTLETT—That would be good. Did you have a role in any other aspects of the management of the island environment?

Dr Reville—I am, sorry, I am not quite sure of what you are asking.

Senator BARTLETT—Do you have any input into ongoing activity with the management of the environment on Christmas Island, such as some of the recovery plans for species et cetera, or is that purely through Parks?

Dr Reville—The cause of our involvement would usually be the statutory trigger. If an action were being taken by a Commonwealth agency, it would involve us. The way we handle much of our advice depends on whether there is a responsible authority. For example, in the case of built heritage, if there is a state heritage agency or, in the case of Christmas Island, an agency like Parks Australia, and they are suitable people to look after the values that are concerned with the national estate, we may advise the Commonwealth agency concerned to work in cooperation with that state agency or with Parks Australia for those things for which they are competent. If there were no other heritage agency, for example, on Christmas Island to do with built heritage or something like that, we would normally expect that things that were affecting the built heritage would be done in consultation with us.

Senator BARTLETT—Will you be having any ongoing role in monitoring the construction and operation of these facilities?

Dr Reville—In practice, I expect that, if there are natural values which are adequately taken care of by Parks Australia with the plan and management for the park and those sorts of things, we would be happy enough for Parks Australia to look after that. If there were infrastructure issues that might affect the built heritage of Christmas Island, where there is no other authority who has the competence, and, for example, if detailed information became available about the actions in the built heritage national estate, we would expect to receive further notification from the departments concerned.

Senator BARTLETT—Have the proposed construction of an additional port and access road been referred to you at all?

Dr Reville—Yes, they have. I cannot tell you the exact dates; I do not have that information with me. But we tend to get involved with most things that happen on Christmas Island. Given that there is no local heritage regime, the commission tends to be the heritage body to which people come. As you would know, a substantial part of Christmas Island is on the register, both for natural values and also, in some cases, for built heritage values.

Senator BARTLETT—Have you made assessments and provided advice on those others?

Dr Reville—We would have provided advice on a range of those things happening but, I am sorry, I could not give you the exact dates.

Senator BARTLETT—Can you check whether that can also be provided?

Dr Reville—The actual advice or the dates?

Senator BARTLETT—Both, I guess, but I am interested in the advice.

Dr Reville—Okay. I will go through the same routine that I suggested for the other one.

Senator BARTLETT—Obviously a lot of assessment has been done about strengthening the World Heritage values of the island, particularly in terms of recovery plans for some of the endangered species and the like. Do you have ongoing involvement in ensuring that those recovery plans are followed or in monitoring how well they are going?

Dr Reville—I am sorry, Senator. I think you said ‘world heritage’; do you mean national estate values?

Senator BARTLETT—I am sorry, yes.

Dr Reville—The involvement of the commission is where an agency is proposing to take an action that may affect the national estate values. We probably do not tend to get involved in ongoing plans and projects, and that sort of thing, where the effect is obviously positive and where the exercise has been going on for some time. We tend to get involved at decision points, if you like. But we give advice on Christmas Island—and probably more so these days on the built environment, because there is no other agency competent to give that advice. So we tend to get involved perhaps more on that. But with issues such as whether mining operations may affect the natural values or, in this case, the immigration centre may affect the natural values, yes, we do get the statutory trigger coming in and we are involved.

Senator BARTLETT—When you are conducting your section 30 analysis, such as with the detention centre, do you have discussions with Environment Australia?

Dr Reville—We would usually try to get relevant information from everybody, not just from Environment Australia if they are in the area. If it is on mainland Australia, we would contact state heritage agencies, national parks and other people, indigenous agencies, and communities in order to get advice to make sure that the information we put in our advice going back to the agency concerned is as accurate as possible.

Senator BARTLETT—Did you get any information from them or anywhere else at all suggesting that there could be alternative sites that would have less impact?

Dr Reville—We have not sought to provide advice on alternative sites at this stage.

Senator BARTLETT—At this stage you are not likely to, I would presume, given that construction has already started.

Dr Reville—I would anticipate that, if the agencies concerned who are proposing the action needed our advice in the consideration of feasible and prudent alternatives, they may well come back and ask us for our advice on that matter. But it really is up to the proponent agency, under the terms of the AHC Act.

Senator CROSSIN—Do we have officers from the Australian Heritage Commission in front of us? I am sorry, I have not met you before. Can you provide me with a list of Commonwealth properties that are subject to or proposed for disposal, where that property is on any heritage list or register?

Dr Reville—I do not know whether we could provide you with a comprehensive list.

Mr Beale—You could ask though: could the commission provide a list of Commonwealth properties for which disposal has been advised, national estate or otherwise?

Senator CROSSIN—I see.

Dr Reville—As the secretary has indicated, we could tell you which Commonwealth properties are currently on the Register of the National Estate; that would be quite easy for us to do. The difficulty is that, because some of the disposal procedures may be some years in

advance, we could not necessarily give you the advice on disposal, unless we can get that from the agencies concerned.

Senator CROSSIN—So you would not be able to tell me exactly which properties are subject to disposal or currently being disposed from that list. Is that right?

Dr Reville—We would know some properties that are likely to be disposed of, because agencies have told us; but we could not be sure whether that was an accurate list, because their planning on disposal may change—which properties are to be disposed and what the timing will be. But we could certainly try to see what information is available.

Senator CROSSIN—Are you able to estimate the revenue generated from the sale of Commonwealth heritage properties over the last three years?

Dr Reville—That would not be a question for us, I suspect. It does not really fall within the range of the Australian Heritage Commission Act. I think that is probably an issue for the agencies concerned.

Senator CROSSIN—Is that more a question for each of the agencies to answer?

Dr Reville—I think so, particularly for agencies like Finance and Administration, and Defence, those sorts of agencies that are big property holders. We tend to give only the heritage advice; we do not get tied up in the economics.

Senator CROSSIN—What protection can the Commonwealth arrange for the heritage properties it disposes of?

Dr Reville—Our normal policy is that, when the property passes out of Commonwealth ownership, we always try and get some form of heritage protection applicable at either the state or local level. If that is not possible, we frequently try and get some equivalent to covenants on the property in the state concerned. But, if the property is significant at a state level, it has a very good chance of getting on a state heritage register, which has very strong protection.

Mr Beale—Or alternatively and as well, in some circumstances, it is quite clear that it will not be possible to save a property that is subject to disposable redevelopment. In that case, we might arrange for an appropriate interpretive recording of the site so that its values can be preserved. So we would try each of those things in layers, if you like.

Senator CROSSIN—Is there any monitoring of the effectiveness of the sort of protection that you can provide? If so, what is the evaluation or the results of that monitoring?

Dr Reville—We have done monitoring of the continuing of properties generally on the Register of the National Estate, both Commonwealth and non-Commonwealth. In the case of Commonwealth properties, if we can get a property onto a state heritage register you can be reasonably confident that it will have very good protection, because the states have very strong powers over heritage properties. If it is on a local heritage register, generally there is quite good protection. In terms of covenants, we have done some analysis. Covenants are effective in some states and not as effective as others. We would have, I think, some information on the issue. We would not have information on every Commonwealth property for you.

Senator CROSSIN—What is the Commonwealth's current position with respect to the disposal of heritage property?

Dr Reville—That question is probably best addressed to the Department of Finance and Administration, which actually has the policy. It is available, amongst other places, on their

web site. Basically, there is a provision in the Commonwealth policy on disposals about the protection of properties with heritage values.

Senator CROSSIN—Do you have a system for identifying heritage listed properties when disposal of those properties is being looked to?

Dr Reville—We are trying at the moment, for example, to comprehensively go through Commonwealth properties to identify heritage values, with the assistance of the agencies concerned. We are particularly concerned to try and get all Commonwealth properties that have national estate values, which are heritage values, at the moment on the Register of the National Estate.

Senator CROSSIN—So is that system like a manual or a procedure?

Dr Reville—In terms of the assessment, we have sought information from the relevant agencies concerned on boundaries and that sort of thing for the properties, and we are working systematically through it. In terms of the more general question of getting the Commonwealth agencies to look after their heritage properties, we do have a manual to help the Commonwealth agencies concerned in the general care of their heritage properties.

Mr Beale—This might be helpful: as we have looked at Commonwealth properties, we have looked at some thematic issues. For example, we have looked at post offices and tried to examine the ones that are of particular significance, such as those that were part of the federation story. Lighthouses, similarly. We cannot list every post office and every lighthouse, and so it is important to try and identify the key ones. We have had a thematic examination of Commonwealth properties. Then, if a major property that is not already on the national estate comes up for disposal, we would usually be alerted by the department concerned—for example, the Department of Defence puts a great deal of effort into its own heritage—and then we would aim to jointly assess the heritage values of the property and try to determine a way in which they could be protected after sale, if sale were inevitable.

Senator CROSSIN—Do you know whether the department of finance, prior to putting a property up for tender or sale, seeks advice from your officers in relation to potential impacts of disposal of heritage conservation?

Dr Reville—Usually we find that the Commonwealth agencies are quite good in telling us about properties that may have heritage values, and I think that has probably improved over recent years. So we have extensive dealings with Finance and Administration, Defence, CSIRO and virtually every Commonwealth property owner. Sometimes we would like to be notified a bit earlier but, in general, all agencies are cooperative.

Senator CROSSIN—Is there any framework for assessing and processing proposed disposal of heritage properties?

Dr Reville—First of all, we try to identify—as I said before, we are trying to identify—all Commonwealth properties that do have national estate values, and we have sought advice from agencies on their disposal plans. The only tricky thing is that sometimes those disposal plans change. But we try and get them as far in advance as possible. For example, we usually prefer to know up to 12 months in advance when properties are going to be disposed of so that we have time to get in and do assessments with the agencies concerned.

Senator CROSSIN—So there is no one particular framework that a particular agency might have developed or that you have developed for other agencies to use?

Dr Reville—Several are in the process. Defence are currently doing a major review of heritage on their properties and are looking to try and get a systematic way of building

heritage values into their database on their properties. Agencies have used slightly different approaches because they typically have set up different systems for maintaining their properties. The best way of getting them to highlight the heritage is to build the heritage values into the system they currently have for managing their properties. We find that if they try and do something on the side, if you like, it tends to get neglected. It is much better to try and build the heritage values into the mainstream reporting systems they have.

Senator CROSSIN—When disposing of a property that has intrinsic community value, what value is given to considerations other than maximum financial return? Do you look, for example, at their environmental and heritage significance other than the financial return?

Dr Reville—I think most agencies do take those things into account. Certainly, if the property is listed on the Register of the National Estate, and if it has natural values or cultural heritage values, they have to take those things into account; under the AHC Act they are obliged to.

Senator CROSSIN—Why are different agencies able to operate under different policy arrangements in this area? For example, the Defence Estate Office is able to secure a percentage of the value of sales for its own budget purposes. How can that be, given that there are different agencies? Is there no consistent approach to this across whole of government?

Dr Reville—I am afraid that question is way out of my area; it is not a heritage issue as such. I think that would probably have to be addressed to another department—perhaps Finance and Administration.

Senator CROSSIN—So there is no actual consistent approach to the disposal process; there is no whole of government approach. It is agency by agency. Different agencies would do it in different ways. Is what you are telling me?

Dr Reville—Again, I do not think I am competent to answer that question. The government has a policy on disposal of Commonwealth properties that has been around for some years now, I think. But I would not be the competent person to ask about that. I could really only address the heritage issues.

Senator CROSSIN—So you do not know whether that policy has an aspect in it related to heritage properties?

Mr Beale—I think Dr Reville earlier indicated that there was guidance on the Department of Finance and Administration's web site in relation to heritage obligations at the time of disposal. But we are not the experts on the disposal process. We give advice when we are—

Senator CROSSIN—So the department of finance's web site advice would be expected to be taken into consideration by other agencies?

Dr Reville—There is a government-wide policy on disposals. But I would like to correct a possible misapprehension: all Commonwealth agencies would have to consider the heritage aspects of their properties when disposing of them—that is governed by the AHC Act—and, strictly speaking, if they are listed on the Register of the National Estate. But what we find in practice is that Commonwealth agencies, if they have any inkling that their properties may have heritage values, will refer them to us for advice, even if they are not listed.

Senator CROSSIN—I am leading to questions about Myilly Point in Darwin. Can you tell me perhaps why the Myilly Point properties in Darwin have been subject to an 'expression of interest disposal process' when this has not been standard practice elsewhere?

Dr Reville—That is not a responsibility of our department, I am afraid, or of the Australian Heritage Commission. That would be, I think, a matter for the Minister for Finance and Administration or the department.

Senator CROSSIN—We might find that is the case with the other questions as well. With the whole issue of the disposal of heritage property, what does the government plan to do about inconsistency of approach?

Dr Reville—I am not sure that there is an inconsistency with the disposal of heritage property. For example, in the case of Myilly Point, as I mentioned before, if a property were being sold out of Commonwealth hands, normally we would try and ensure that there was heritage protection for it under the state or territory regime. I think in the case of Myilly Point there is protection under the Northern Territory heritage regime for the property.

Senator CROSSIN—We are not entirely sure that there has been, in recent times, an expression of interest process. We believe that this might be some sort of anomaly. We are looking at whether an expression of interest process is something that is done consistently across departments or whether it is only a peculiar instance here.

Mr Beale—We would run the risk of misleading you if we attempted to answer such a question. It is really beyond our competence. We can say that, if a property is on the Register of the National Estate, the agency must come to us. We encourage agencies to come to us if the property might have heritage values. Our experience is that, so long as they are aware of those values and they recognise them, agencies do just that.

Senator CROSSIN—The Myilly Point properties are being handled by an ‘expression of interest’ process; but, back in 1998, a heritage listed property in Alice Springs was granted freehold title to the National Trust. Were you ever consulted about that disposal, for example? I am trying to find out why there have been such inconsistencies in the handling of these two properties in the Northern Territory.

Dr Reville—As Mr Beale has pointed out, we would provide the heritage advice, and I am sure we were consulted about the disposal of both properties. Our concern about the disposal is to get the greatest protection for the heritage values that we can in the disposal process. We would not comment on the mechanics of how the department handled that, unless it had direct relevance to the heritage values. Our role under the act is to provide heritage advice. We really cannot go beyond the confines of the act.

Senator CROSSIN—Did you have any involvement at all in preparing the documents for the ‘expression of interest’ process for the Myilly Point properties?

Dr Reville—I would have to take that question on notice. I suspect that, if we had had any involvement, we would have been providing positive advice about how to look after heritage. But I really am not sure, and so I would like to take that one on notice, if I may.

Senator CROSSIN—Could you also tell me if, in fact, your advice was sought about the Myilly Point properties?

Dr Reville—We have provided advice on Myilly Point, I am sure. But again, if you like, I can take on notice the question of what advice we have provided on Myilly Point and the involvement we may have had in helping finance about the preparation of documents. I would like to take those questions on notice, if I may.

Senator CROSSIN—Thank you. I take it then that you will not be involved in selecting the successful applicant?

Mr Beale—Certainly not.

Dr Reville—I do not know what the Department of Finance and Administration may ask us to do, but I am not aware that we have been.

Mr Beale—I would be very surprised if that were what happened.

Senator CROSSIN—We are trying to get to the bottom of what they are trying to do as well.

Dr Reville—As the secretary has indicated a couple of times, I think you are probably asking questions beyond our competence. We would like to help where we can, but we just do not know the answers.

Senator CROSSIN—Perhaps we were just hoping you were going to be involved. So you do not know how the selection will be made or what weighting will be given to people who have put in an expression of interest in terms of heritage management versus the financial offer they are going to give the Commonwealth?

Dr Reville—I doubt it very much. But, again, I really have not come briefed on the detail of Myilly Point; I am aware of the general sort of issues. I have not come briefed on the details, and so that probably means it is not something that is happening at the moment with us.

Mr Beale—Equally, if the Department of Finance and Administration were to seek our advice by asking ‘Is this a better proposition from a heritage point of view, or is that?’ we would then provide that advice.

Senator CROSSIN—But you have not been explicitly told you are going to be involved or asked whether you would be involved in the process?

Dr Reville—I am not aware of it.

Mr Beale—Let us take that on notice, but we do not believe so.

Senator CROSSIN—Will you be involved in ensuring that the appropriate checks and balances are in place to ensure that the unique heritage characteristics of the Myilly Point houses are conserved by any future management arrangements?

Dr Reville—Once the property passes out of Commonwealth hands, the Australian Heritage Commission Act will not apply. We will do the best we can, wherever possible, leading up to that point, to try and make sure there is ongoing protection. As I mentioned before, I believe it is on the Northern Territory Heritage Register, and so that should provide a measure of protection probably stronger than we can provide under our act.

Senator CROSSIN—If by some chance the houses end up being either the property of the Northern Territory government or the property of the National Trust, does your involvement still apply? I guess it would if they are the property of the National Trust. Is that right?

Dr Reville—No, it is not a Commonwealth body. There is a difference between the statutory role and people sometimes asking us for advice even if it is not a Commonwealth area—and they do, but that is a voluntary thing on their part.

Senator CROSSIN—Thank you for your help. I had better direct some of those questions to finance and admin, I think.

Senator BARTLETT—I have a few more questions I would like to ask but not of the heritage officers. I think they can go.

Mr Beale—Thank you.

Senator BARTLETT—My questions go to assessments made by Environment Australia, which I think will be under approvals and legislation. I do not think I need anybody else.

Mr Beale—Can the rest of my colleagues go?

Senator BARTLETT—From my point of view, they can.

CHAIR—Those officers may go.

Senator BARTLETT—I know that we have had some information about the detention centre on Christmas Island. I now want to ask about the space base. As far as I am aware, we have not touched on that in much detail. In May last year, you assessed the EIS for the space base on Christmas Island. Is that right?

Mr Early—That is right, yes.

Senator BARTLETT—You produced an environmental assessment report that included about 65 recommendations, I am advised. I want to go through some of those recommendations and see how well they are being implemented as this project progresses. When you make an assessment and recommendations, the approval is conditional on the recommendations, as I understand it.

Mr Early—It is.

Senator BARTLETT—So you then have the responsibility of following through and making sure those recommendations are acted upon?

Mr Early—Essentially, in this case, the recommendations that Senator Hill made were converted into a number of conditions. The mechanism for ensuring that those conditions are complied with is the requirement for an environment management plan to be developed by the spaceport and to be approved by the minister for the environment. So far that process has not been completed, although there was an interim environment management plan that related purely to earthworks. Minister Hill approved that in November last year, and the earthworks are continuing at the moment. But the environment management plan for the construction has not yet been finalised or submitted to the minister.

Senator BARTLETT—Is the company preparing that?

Mr Early—That is right; the consultants for the company are preparing that. We are having dialogue on that, talking to the proponent about the sorts of things that need to be in there and so forth.

Senator BARTLETT—Are you saying that that plan encompasses or is intended to encompass all the 65 recommendations?

Mr Early—That is right, yes.

Senator BARTLETT—You have preliminary earthworks already happening there?

Mr Early—That is right. The company were finding it difficult because, as you say, there were 65 recommendations incorporating all those, and some of those involved survey work et cetera. So they approached the minister in August last year to ask him whether he would be prepared to consider a limited approval just in relation to the earthworks so that the project would not be held up. The minister approved that on the basis that only the earthworks were approved and, in fact, the project could not proceed until the entire environment management plan had been approved.

Senator BARTLETT—If they have done that initial work and spent that extra initial money, doesn't that put a bit of extra pressure on you to allow it to go ahead?

Mr Early—The minister made it clear that that was their risk.

Senator BARTLETT—Do you have an anticipated time line for them to submit the management plan to you?

Mr Forbes—I am not sure of the timetable. I do not have the exact time. But my understanding is that, for them to meet their launch date of 2004, they will need to have it submitted before August this year.

Senator BARTLETT—Is that when they have to have it submitted to you or when the minister will need to have ticked off on it?

Mr Forbes—I am not sure exactly how the dates work, but I have July/August in my mind. I think it is a September approval, but I stand to be corrected on that. I can take that question on notice, if you like.

Senator BARTLETT—In relation to APSC, Asia Pacific Space Centre, recommendation No. 62 said that it:

... must give a legally binding commitment (enforceable by the Commonwealth) that it will ... rehabilitate any aspect of the environment that is significantly damaged as a result of the construction or operation ...

How will you ensure that that occurs? Are you requiring a bond of some sort, or have they just signed an enforceable contract that they will pay for rehabilitation, if required?

Mr Early—I cannot recall. We can take that question on notice.

Senator BARTLETT—Thank you; that would be handy. I expect that this aspect will be in the management plan, but you would have been having ongoing communications with them in the interim. Recommendation No. 5 states that they:

... must develop a proposal to conduct a survey for possible cave systems and subterranean fauna on South Point focusing on the proposed site of the Technical and Launch Complexes and using non damaging techniques ... This plan is to be approved by Environment Australia prior to the survey taking place.

Has any survey work been conducted?

Mr Early—I think it has, but I would have to double-check that and take that question on notice.

Senator BARTLETT—When you do that, could you give some indication of not just what has been done but what has not been done. It says that this plan, which I guess is a plan to conduct the survey, has to be approved by you. So could we get details on the approval that has occurred or not, as the case may be. It says:

A report on the survey results must be provided to Environment Australia and should be taken into account in the development of the Environmental Management Plan ...

That would seem to imply that they would have to provide results to you before they could give you the plan. But if the plan has to be provided within two to three months, then one would anticipate that something as fundamental as survey work under the launch site would have been done.

Mr Early—They have been doing quite a bit of survey work. But, as to the precise details, I am not sure and I would have to give you that information on notice.

Senator BARTLETT—That would be good. I do not know whether it is feasible but, if it is possible, it would be good if you could provide us with a copy of that report. The other recommendation I am particularly interested in is recommendation No. 38. That states:

Approval for construction of the proposal should not occur until it is demonstrated that the underlying geological structure is sufficiently stable ...

It says that it should be sufficiently stable for all purposes. Are you anticipating that that would be provided in the final management plan?

Mr Early—That work has been done; the siting of the launch pads has been shifted as a result of that work.

Senator BARTLETT—So, in terms of satisfying the minister for his approval of construction, that component is okay from your perspective?

Mr Early—I am pretty sure, but I will double-check that. Certainly the work they did has led to a slight change in location, which has been approved by the minister.

Senator BARTLETT—So there is now no uncertainty about where the actual site will be; that is very much set in stone, so to speak?

Mr Early—Yes. The original proposal was for two launch pads and, as a result of that work, the first launch pad was shifted somewhat. So that is certain. As a result of some of the monitoring that will be in place, they will then come back to us with a precise location for the second launch pad, which is not required for a number of years.

Mr Forbes—Just to clarify: I think there is still some geotechnical work under way, which will finalise the proposed sitings and their footings, as I understand it—not necessarily the sitings, but the actual foundations that will be required.

Senator BARTLETT—Is the final location for the first site within the original launch pad area?

Mr Early—Yes.

Senator BARTLETT—Is the information relating to recommendation No. 38 about the underlying geological structure able to be provided to us?

Mr Early—We will certainly provide the information that we have.

Senator BARTLETT—Thank you. Perhaps I can touch just briefly on the detention centre again. I know there were 20 or 30 minutes on that from Senator Carr. I think I heard most, if not all, of his questions, and so I do not think I am doubling up—but, if I am, just tell me to read the *Hansard*. I want to get a broader idea of how, in some respects, the general process works for any sort of waiver. It is fairly significant to exempt something from the act. The statement of reasons that was published indicated that a brief was provided to the minister from EA on 28 March and then another brief on 21 March. Are those briefs able to be made available?

Mr Early—They would not normally be made available. Normally the minister would not want those to be released. The statement of reasons, of course, is published.

Senator BARTLETT—I have that, yes. Obviously applications for assessment were put forward in this case by the two departments, DIMIA and Territories, arguing that it was in the national interest—and I think they provided material about how they were going to follow environmental management plans and the like. When such applications are made, do you make an assessment of whether or not there should be a waiver purely on whether you think the environmental issues are properly addressed, or do you look and make a judgment in terms of the national interest criteria—which had nothing to do with the environment at all, of course; they were to do with our immigration policy?

Mr Early—I think the answer is really in the statement of reasons. By way of clarification, the exemption is from some of the provisions of the Environment Protection and Biodiversity Conservation Act. That is the issue that the minister decided was in the national interest. I think that is spelt out in his statement of reasons.

Senator BARTLETT—Yes, his reasoning is in his reasons. In terms of what assessments you do when you provide a brief, does your brief simply encompass ensuring that the environmental issues are protected, or does your brief look at whether or not it is in the national interest?

Mr Beale—Our brief would cover all of the minister's obligations in relation to making a decision under the act, and we would hope to cover it in a comprehensive and balanced way in relation to any of these applications.

Senator BARTLETT—If you are saying that it covers all the issues, you would have to address the issue of whether or not building a detention facility on Christmas Island for the purposes of our immigration program is actually in the national interest. I am sure that you are quite capable of assessing that, but that would be outside your normal type of assessment.

Mr Early—The issue is not whether—

Mr Beale—It is not whether it is in the national interest to build a facility but whether it is in the national interest to exempt the facility from a purview under the EPBC Act. Let us say, for example—and this is totally hypothetical—that some extraordinarily important defence facility had to be built. We would not be second-guessing whether it would be in the national interest to build that particular defence facility. But if it were expressed to us that there was a matter of great urgency or another dimension that was relevant to the provisions under the act as to why it was in the national interest that it should not be assessed under this legislation, then we would provide information in relation to that and advise the minister of what matters under the law he would need to be satisfied about in order to reach a valid conclusion. So we would aim to provide him with advice that was helpful in having him reach a properly based lawful position under the act. That advice would not normally be publicly released.

Senator BARTLETT—So, in that sense, you would provide advice on whether it is urgent or not.

Mr Beale—We really provide advice on the tests under the act and on the factual background of the propositions that are put in relation to those tests. Then we provide advice that enables him to consider a lawful judgment—a decision under the act.

Senator BARTLETT—I do not specifically want to focus on the detention centre and whether it is a good or bad thing—although I am usually happy to engage in such debates. But, in this context, I am more interested in the use of this waiver power, which is significant. I want to ascertain the process followed and see that it is not a case of there being any loophole for any minister to just say to you, 'Well, look, it's in the national interest for us to do this thing'—which nobody would argue about—'and to do it quickly and not have to stuff around with all this assessment process.' What checks and balances are in place to ensure that you are able to check whether or not a claim from a minister is valid when they say they have to do it quickly?

Mr Beale—In this case, in many respects, the minister has set out the issues he had regard to, the matters of fact in relation to which he made a finding and the reasons then for reaching a conclusion that it was appropriate to exempt the act. So, in a sense, his statement of reasons provides quite a nice example of the way in which this provision under the act would work.

Mr Early—Certainly, Senator, to take your point about the environmental issues, as Dr Kemp said, he was satisfied that there were a whole range of measures in place which would ensure that the centre is built to the best practice environmental management standards. That was one of the things he took into account, in addition to the more substantive issues about the national interest.

Senator BARTLETT—But that is starting from the assumption that it is environmentally appropriate to build a centre there at all.

Mr Early—I am not sure that that is the case.

Mr Beale—Senator, as you were saying earlier, it is probably not very appropriate for us to be—

Senator BARTLETT—I mean environmentally appropriate to build a centre there. There is the act's heavy burden and the need for revegetation. There is the argument about the need to revegetate rather than put any building there—detention centre, or anything else. I do not want to get into a debate about the immigration policy. The statement of reasons that the minister put forward and the environmental management plan safeguards are all there with the assumption that the thing is going to be built or has to be built, and there does not seem to be any assessment of whether it is appropriate to build there at all.

Mr Beale—I do not think we can go beyond the minister's own recording of the factors that weighed with him as he made this decision, which I know he considered at great length. I do not think we can appropriately add to what he has put on the public record.

Senator BARTLETT—That is partly why I am probing a bit further in terms of the general process followed. I have read his statement of reasons a number of times—and I do not expect you to comment on this—but I do not find them overly convincing, firstly, on that issue of whether it or anything should have been built there and, secondly, whether it is particularly in the national interest or necessary for it to be built quickly. Those reasons do not seem particularly compelling to me, but that may be based on my own philosophical view on this issue. I guess that is part of my concern about what processes are followed. It says in the statement of reasons that the exemption applies to the establishment and the ongoing operation of the centre. In terms of its ongoing activities, that is all seen as being covered by the management plan?

Mr Early—Yes, by the various measures that are in place, including the ongoing effect of the EPBC regulations and the management plan for the national park et cetera.

Senator BARTLETT—Are the other proposals about upgrading the existing port facilities and constructing an additional port before you at the moment?

Mr Early—They have all been determined to be controlled actions under the act, and they are all at various stages of the assessment process.

Senator BARTLETT—Have you determined what assessment processes are required for those?

Mr Early—With some of them.

Senator BARTLETT—That would be on the web site. If it has been published, I can find it on the web site, to save you digging around.

Mr Early—Yes.

Senator BARTLETT—So you would not have looked at whether there were alternative sites that were less damaging and that sort of thing either?

Mr Early—That is not an issue for us.

Senator BARTLETT—This question goes to your area but has nothing at all to do with Christmas Island. I guess it comes to the way the act works, and obviously you have to enforce it as it is written. I was going to raise this example with the marine park authority, but perhaps it might be more appropriate for you. There is a redevelopment in Queensland, the Laguna Keys redevelopment. They have referred three stages of that redevelopment under the act—and I think they self-referred. They are an international airport, a golf course and a residential development. As I understand it, continual efforts were made by the marine park authority to get the proponent to submit the entire concept plan, which includes at least five other stages, so that the whole project could be assessed all at once. Unfortunately they are doing it in this piece-by-piece approach. Is there any way that you can address that sort of thing? The concern I have—and I think there is some history to back it up, at least in Queensland—is that people will build the part of a development that is the least environmentally problematic component, wait until that is all in place and then push for all the other bits that are tacked on to it. They will say, ‘Well, we’ve already built all this, so it’s not fair of you to stop us doing that.’ Is there any way of getting the whole show looked at at once?

Mr Early—There is an issue with the definition of ‘action’ under the act, which includes a series of activities. So, if we were of the firm view that someone was breaking up a single action into a series of activities to avoid the legislation, that would certainly come under the heading of ‘single action’. In the Laguna Keys case, parts of them were controlled—is that right?

Ms Martin—I think with Laguna Keys there were three different referrals. When we look at them from an action point of view—it is the definition of an ‘action’—it is whether they stand alone in their own right or whether, having been broken up in that respect, they would not be consistent with the objective of the act. That issue was considered, but they were actions in their own right. If they are actions in their own right and are referred in that way, they come within the act.

Senator BARTLETT—So you are saying that you have considered them as actions in their own right, and there is nothing you can do or feel you need to do about the fact that there is a concept plan out there for all this other activity, including the marina and other things.

Ms Martin—I understand that, with that particular one, a lot of the concept was not finally settled. It had been a concept plan over time that had been modified. They had not referred those other actions or activities, and that would not mean that the other stages would go ahead either.

Senator BARTLETT—I think I can stop there.

CHAIR—I thank the witnesses for appearing and I thank Hansard and the secretariat for their support during these hearings. I close this session of estimates.

Committee adjourned at 10.29 p.m.