



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATION, INFORMATION
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

Consideration of Additional Estimates

TUESDAY, 11 FEBRUARY 2003

CANBERRA

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SENATE

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

Tuesday, 11 February 2003

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

Senators in attendance: Senators Allison, Carr, Eggleston, Faulkner, Greig, Lundy, Marshall, McLucas, Murphy, Santoro, Tchen and Wong

Committee met at 9.04 a.m.

**COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS
PORTFOLIO**

In Attendance

Senator Kemp, Minister for the Arts and Sport

Department of Communications, Information Technology and the Arts

Executive

Ms Helen Williams AO, Portfolio Secretary

Ms Fay Holthuyzen, Executive Director, Communications

Dr Alan Stretton, Executive Director, Arts and Sport

Arts and Sport Division

Ms Karen Gosling, General Manager, Collections and Governance Branch

Mr Peter Young, Acting General Manager, Arts and Regional Branch

Ms Megan Morris, General Manager, Sport and Private Sector Support Branch

Ms Caroline Greenway, Acting General Manager, Film and Digital Content Branch

Mr Kevin Isaacs, General Manager, M2006 Taskforce

ICT Division

Dr Beverly Hart, Chief General Manager, ICT Industry Division

Mr Philip Allnutt, General Manager, ICT industry Development Branch

Mr Michael Sutton, General Manager, ICT Innovation Branch

Dr Simon Pelling, General Manager, Framework for the Future Task Force

Corporate and Business Division

Mr Craddock Morton, Chief General Manager

Ms Jennifer Gale, Chief Finance Officer

Mr Frank Nicholas, Acting General Manager, Knowledge and Information Services

National Office for the Information Economy

Mr John Rimmer, CEO

Dr Rod Badger, DCEO

Mr Patrick Callioni, CGM, Strategy and Programs Group

Mr Keith Besgrove, CGM, Regulatory and Analysis Group

Mr John Grant, CGM, Government Services and Information Economy Group

Ms Ann Steward, Principal Adviser, Government Services and Information Economy
Group

Ms Michelle Kinnane, General Manager, Channel Development Branch
Ms Anne-Marie Lansdown, General Manager, Access Branch
Mr David Kennedy, General Manager, Analysis Branch
Mr Ashley Cross, General Manager, eBusiness Branch
Mr Tom Dale, General Manager, Regulatory Branch
Ms Robyn Fleming, General Manager, Information Framework Branch
Mr Steve Alford, General Manager, Business Strategies Branch
Ms Paul Malone, Acting General Manager, Corporate and Governance Branch
Ms Kylie Carrett, Manager, Finance
Mr Tony Judge, Manager, Budget and Performance
Mr Tim Field, General Manager

Telstra

Mr Bill Scales AO, GMD, Corporate and Human Relations
Mr John Stanhope, Director, Finance
Dr Paul Paterson, Director, Regulatory
Mr Anthony Rix, Head of Service Advantage
Mr Darian Stirzaker, Chief, Consumer Sales
Mr Don Pinel, Regional Managing Director, Country Wide Queensland

Australian Broadcasting Corporation

Mr Russell Balding, Managing Director
Ms Sue Howard, Director, ABC Radio
Ms Sandra Levy, Director, ABC Television
Mr Colin Knowles, Director, Technology and Distribution
Mr David Pendleton, Director, Finance and Support Services
Ms Lynley Marshall, Director, New Media and Digital Services

Australian Broadcasting Authority

Professor David Flint, Chairman
Mr Giles Tanner, General Manager
Ms Andree Wright, Industry Performance and Review
Ms Jonquil Ritter, Director, Planning and Licensing
Mr Fred Gengaroli, Director, Engineering and Technology

Australian Communications Authority (ACA)

Mr Tony Shaw, Chair
Dr Bob Horton, Deputy Chairman
Dr Ros Kelleher, Senior Executive Manager, Telecommunications
Mr Geoff Luther, Senior Executive Manager, Radiocommunications
Mr John Haydon, Executive Manager, Universal Services Obligations Group
Mr John Grant, Executive Manager, Spectrum Marketing Group
Mr John Neil, Executive Manager, Consumer Affairs Group
Ms Linda Wiese, Acting Manager, Customer Services Coordination, Customer Services Group
Mr Darren Hooper, Chief Finance Officer, Corporate Management Group
Ms Anita Tapper, Assistant Manager, Finance

Australia Post

Mr Michael McCloskey, Corporate Secretary
Mr Peter Meehan, Chief Finance Officer
Mr Gary Lee, Group Manager, Letters
Mr Stephen Walter, Group Manager, Corporate Public Affairs
Mr Mel Jackson, Group Manager, Retail
Mr Chris Grosser, Group Manager, International
Mr Terry Sinclair, Manager, National Logistics

Australia Council

Ms Jennifer Bott, Chief Executive Officer
Ms Karilyn Brown, Executive Director, Audience and Market Development
Ms Cathy Craigie, Director, Aboriginal and Torres Strait Islander Arts Board
Mr Ben Strout, Executive Director, Arts Development
Mr John Wicks, Executive Director, Finance and Administration

Australian Film Commission

Mr Kim Dalton, Chief Executive Officer

Australian Film Finance Corporation Ltd

Mr Chris Oliver, Acting Chief Executive Officer

National Archives of Australia

Mr Steve Stuckey, Acting Director-General
Mr Peter Meadley, Acting Assistant Director-General, Corporate

National Gallery of Australia

Dr Brian Kennedy, Director
Mr Alan Froud, Deputy Director

National Library of Australia

Ms Jan Fullerton, Director-General
Mr David Toll, Deputy Director-General
Mr Gerry Linehan, Asst Director-General, Corporate Services

National Museum of Australia

Ms Dawn Casey, Director
Ms Freda Hanley, General Manager, Content, Collections and Technology
Mr Darryl McIntyre, General Manager, Children's Programs and Content Services
Mr Adrian Brocklehurst, Finance Manager
Ms Suzy Watson, General Manager, Operations

National Science and Technology Centre

Ms Linda Staite, Acting Director
Ms Ann Landrigan, Deputy Director, Business Service

Australian Sports Commission

Mr Mark Peters, Chief Executive Officer
Mr Michael Scott, Director, Australian Institute of Sport
Mr Brent Espeland, General Manager, Sport Performance and Development
Ms Lois Fordham, General Manager, Business Operations

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

the 2002-03 additional estimates. This morning we resume examination of the Communications, Information Technology and the Arts portfolio, specifically its arts and sports program. I welcome the minister, Senator Kemp, Helen Williams, Dr Stretton and the other officers from the portfolio. Minister, would you like to make an opening statement?

Senator Kemp—Thank you, Mr Chairman. Of course, we always look forward to this day. We have a large number of officers in attendance. I think I have a justifiable name for seeking to assist this committee in every way I can. So I suggest we proceed.

CHAIR—Thank you for those remarks. 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 an opinion on matters of policy and shall be given reasonable opportunity to refer questions asked of them to superior officers or to a minister. Witnesses are reminded that 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 agencies as per the agenda, beginning with the department's outcome 3 relating to science and technology.

**Department of Communications, Information Technology and the Arts
National Science and Technology Centre**

Senator LUNDY—Is Qwestacon part of the national cultural institutions review?

Ms Staite—Yes, it is.

Senator LUNDY—What does that mean for Qwestacon?

Senator Kemp—The review is part of the budgetary process. As it is part of the budget, it is not really a matter we would canvass before this committee.

Senator LUNDY—Why is that?

Senator Kemp—It is not only this government but all governments when they are matters which are for budgetary consideration. The review of institutions is part of that process and therefore it is not something that government ministers would discuss before the estimates committee until after the budget. These are government deliberations. This is material put forward for the deliberation of government to decide what it will do. In that case, it could be argued that it is cabinet-in-confidence, so it is not something we would discuss before this committee.

Senator LUNDY—I have some questions for you, Minister, not so much about the substance of the review, but about the mechanics of the process you have announced.

Senator Kemp—As you know, I always like to help.

Senator LUNDY—I was going to ask general questions about the review, I think under outcome 1. I thought I would focus on Qwestacon now and wait until that comes up in the general part.

Senator Kemp—You are perfectly entitled to ask questions. We will be answering them in light of the comments that I have made, but let us see how we go.

Senator LUNDY—Are there any significant changes to Qwestacon's budget as a result of the additional budget statements?

Ms Landrigan—No, they are fairly minor. There is an adjustment of about \$300,000 for the financial year. The first is about \$190,000. That relates essentially to a change in the capital use charge funding. At the end of the financial year, they checked the value of the assets. Ours was different from what was originally put in the budget figure a few months earlier. So that adjustment is related to CUC. The other adjustment is an increase of \$107,000 in revenue other than government appropriation. That is just a change in our forecast. It is an increase. So that is a positive outcome.

Senator LUNDY—Is that additional \$107,000 sponsorship you have been able to attract?

Ms Landrigan—No. The \$107,000 is generally a revised estimate for admissions and visitor programs to the centre in Canberra.

Senator LUNDY—What impact has the development of Commonwealth Place and that precinct had on Questacon?

Ms Staite—Our customer figures for December were up by 22 per cent, but I would not attribute that so much to Commonwealth Place as to the marketing and the exhibitions that are on there.

Senator LUNDY—Have you had any travelling exhibitions over this financial year?

Ms Staite—At the moment, we have the Dinosaurs Alive! exhibition. It arrived in December and it leaves in March, and it is always a big crowd puller.

Senator LUNDY—If the figures were up by 22 per cent over Christmas, what are your visitation rates like on an annual basis?

Ms Staite—On an annual basis, we are nearing 350,000.

Senator LUNDY—How does that compare to last year and the year before?

Ms Staite—It is an increase of probably 10 per cent to 11 per cent on last year.

Senator LUNDY—Have the bushfires impacted on you? Have you had cancellations, perhaps? Can you describe your view of the impact of the bushfires?

Ms Staite—As of the day of the fires—the Sunday—we have probably halved our customer numbers.

Senator LUNDY—Just visiting the centre?

Ms Staite—That is right. So it has had an impact on January. Towards the end of January is always a quiet time. Visitors are heading back home, getting ready for school. February is a quiet time, obviously, because we are in the throes of waiting for the school groups to come back. But it has certainly had an impact. We were minus six per cent over the whole month of January.

Senator LUNDY—I think institutions right around town are experiencing the same thing. Has it had any impact on slightly longer-term bookings and on groups coming to Canberra?

Ms Staite—It has. In fact, we are very disappointed. All the Victorian schools received information saying, 'Reconsider your visit to Canberra this year because of the bushfires.'

Senator LUNDY—From where did they receive that?

Ms Staite—From the Victorian state government—education. There was a fax sent to all schools in Victoria.

Senator LUNDY—Can you give me a copy of that?

Ms Staite—Yes.

Senator Kemp—Was this put out by the Victorian department of education?

Ms Staite—That is right—to all schools in Victoria, telling them to reconsider their visits to Canberra. We have already had three cancellations from Victorian schools for this year.

Senator LUNDY—Has there been anything from any other state?

Ms Staite—No.

Senator LUNDY—It is a huge issue confronting many institutions here in Canberra, as I am sure you are aware. Not so long ago, we had a meeting with your colleague Minister Joe Hockey to discuss the tourism recovery plan for Canberra—which was very positive. We look forward to trying to address some of those issues. That is all I have for Questacon, thank you.

CHAIR—It would appear that all the questions have been asked, so thank you for being here.

[9.13 a.m.]

Department of Communications, Information Technology and the Arts

Senator LUNDY—I have some general questions relating to the review. In the context of comments you have already made about the review, Minister, the substance of which you are obviously not prepared to discuss today, can you tell me a little about the logistics of the review process? Obviously it is going to culminate in some sort of statement in the budget.

Senator Kemp—Let me make a couple of comments. My colleague, Senator Alston, made some comments about the review in the federal parliament. I draw your attention to his responses to, I think, Senator Ridgeway. I will make a few general comments to assist the deliberations of the committee. The scope of the review includes all the portfolio cultural agencies—the film bodies, the national cultural institutions and other arts agencies. In the past, there have been reviews of individual agencies and particular groups of cultural agencies, but this is the first comprehensive review of all 15 portfolio cultural agencies.

The review aims to strengthen and identify opportunities for strengthening networks and partnerships between the agencies so they are as efficient and effective as possible. In the government's view, it is always prudent to reflect on emerging issues, look at international best practice and share information on strategic directions. It is not a review of cultural content or cultural judgments. Clearly, the cultural objectives of agencies are important if we are looking at ways for agencies to collaborate. Let me stress that we are not looking for a one-size-fits-all approach. The review is an opportunity to address a range of current and emerging issues across the portfolio, including things like collection storage capacity, costs into the future, digitalisation, the application of new technologies for collection management and access, potential resource challenges for conservation expertise and services, and the need to establish a consistent policy framework across the range, where appropriate.

As we would expect, the agencies have fully cooperated with the review over the past few months. They have attended several meetings and workshops and provided us with a range of information. As I said, I do not think it is appropriate to speculate on the specific outcomes of the review at this stage, so perhaps I can leave it there. I could properly say that it is anticipated at this stage that the outcomes of the review will be at least budget neutral. It is important that we get to world's best practice. It is important that governments look at the various issues which continue to emerge as new technologies take hold. We are pleased with the cooperation we have received from the agencies.

Senator LUNDY—For the sake of clarity, can you list the agencies and institutions involved?

Ms Williams—The ones doing the review or the ones that we are looking at?

Senator LUNDY—Both. List all the departments, agencies and the institutions.

Senator Kemp—There is a steering committee doing the review. The review is being undertaken jointly by the Department of Communications, Information Technology and the Arts—that is our department, and it is chairing the review—the Department of Finance and Administration, the Department of the Prime Minister and Cabinet, and the Department of the Treasury. Those are the four departments involved in undertaking the review. Did you want the list of agencies as well?

Senator LUNDY—Yes. I would like a list of those agencies subject to the review.

Ms Williams—Unfortunately, we do not have the list here. To be complete, can we send you one?

Senator LUNDY—Yes. If you can do that quickly, that would be great.

Senator Kemp—We will do that for you.

Senator LUNDY—Also list the institutions which are subject to the review.

Ms Williams—That is the list we are going to send.

Senator LUNDY—Regarding the four departments on the steering committee, you said DCITA is chairing that.

Senator Kemp—DCITA is the chair of the steering committee.

Senator LUNDY—Who in DCITA is chairing it?

Ms Williams—Dr Stretton is chairing it.

Senator LUNDY—Have you made public the terms of reference?

Dr Stretton—No.

Senator LUNDY—Can you make public the terms of reference of the review?

Senator Kemp—Let me reflect on that. I have described in general what the review is doing.

Senator LUNDY—I appreciate that, Minister, but it is a formal request. I will rephrase it: the committee would like the terms of reference.

Senator Kemp—As I said, I like to be helpful. If you will let me take that one on notice, I will discuss it with my colleagues.

Senator LUNDY—Perhaps if you could consider it during the course of this morning. Given your very articulate description of the terms of reference already, I cannot see why you have any problem in issuing the exact words that Dr Stretton has to work with.

Senator Kemp—I am not sure I have any problem either. I just noted a quizzical look on Dr Stretton's face, so I will explore this privately with him and then we will get back to you.

Senator LUNDY—We will look forward to you doing that during the break. Is the review process one in which the departments and agencies make formal submissions or is it more easily described as a process where you meet and have discussions?

Dr Stretton—We have not asked for formal submissions across the board from agencies. There are specific issues, which the minister mentioned, which we are focusing on. We have discussed those particular issues and sought information on them from the agencies.

Senator LUNDY—Will those submissions or documents be made publicly available or published in any way as part of the review or report?

Dr Stretton—Certainly not at the moment. Obviously, the review will be considered by cabinet in the budget context and it would be cabinet-in-confidence material. Therefore, I expect it would not be made public.

Senator LUNDY—Will public comments be sought in the review process, or can interested parties take the initiative and approach Dr Stretton with a view?

Senator Kemp—People can always approach Dr Stretton with a view. I have always found Dr Stretton a most approachable person. However, subject to anything Dr Stretton might like to say, it is really an internal review and not one where we are seeking public submissions. We are always conscious of public debate and public issues and concerns, but it is an internal review. But we will always listen carefully to your views, Senator.

Senator LUNDY—I know you will, Senator Kemp. I have a series of questions here, but they go more to the substance of the review.

Senator Kemp—We can go through them, or you can put them on notice and if we decide that they go—

Senator LUNDY—Some of them relate to a statement you have already made, so I will pitch them and see how you go. Is the imposition of entry charges where they do not already exist an issue being considered in the review?

Senator Kemp—All issues will be considered in the review. The review will be looking at a variety of things and issues like the need to establish a consistent policy framework for entry fees to cultural institutions. That will be one of the issues that will be looked at.

Senator LUNDY—Having imposed depreciation of collections on institutions as part of accrual accounting, will this review include consideration of a return to a form of cash accounting?

Senator Kemp—We will be looking to make sure that the money that goes to institutions is most usefully used. I do not know whether I can make any specific comments in relation to the depreciation issues.

Dr Stretton—Senator, I think your general point is about whether the review is looking at a return to cash accounting. I think we can say that that is an issue which is obviously far bigger than a review of agencies. It is something which the department of finance will be looking at in a whole-of-government context rather than in this particular review.

Senator LUNDY—I am just curious, especially with DOFA being on the steering committee. That creates the possibility for such issues to at least be discussed.

Ms Williams—DOFA would certainly be keen to know that any money that went to the agencies was most usefully spent, as the minister said. Obviously, depreciation has different issues for agencies where they have an appreciating asset than for areas where there is a depreciating asset. That is one of the things that would normally be considered, in looking right across the collecting agencies.

Senator LUNDY—Is the statutory authority status of some institutions being considered as part of the review—and, if so, which ones in particular?

Senator Kemp—I am just looking to get some guidance from Dr Stretton, but I think these would be matters for the government rather than matters for the review.

Senator LUNDY—I did preface these questions with that concern.

Senator Kemp—Very sensitive.

Senator LUNDY—Again, in your statement the implication is closer relationships between institutions so that the removal of statutory authority status might assist those relationships to become stronger. Again, that is the context of the question.

Senator Kemp—I do not think that is part of the review. If any decision were made on that, it would not be in the context of this review.

Senator LUNDY—On the flip-side of that are mergers and other forms of coming together of various institutions being considered as part of the review?

Senator Kemp—I do not think I would want to speculate on that.

Senator LUNDY—Are staffing levels of institutions being examined?

Dr Stretton—Not as an across-the-board issue. As the minister said, we are looking at the potential for things like shared services—whether it is possible, by working in partnership or more collaboratively, for the agencies to achieve their cultural objectives more efficiently. That may eventually have some impact on staffing levels. However, the issue of staffing levels is not in the terms of reference and it is not a focus on the way we are approaching the issue.

Senator LUNDY—Perhaps, Minister, if you could decide whether or not you are going to share the terms of reference with us, I will be able to move on.

Senator Kemp—Let me reflect on that issue.

Senator LUNDY—Are there any plans to amalgamate the administration services of some of the cultural institutions?

Senator Kemp—I think we are now getting into the substance that may or may not be in the review. I do not think I will be speculating on that. It was a nice try.

Senator LUNDY—Those are all the general questions I have on the review. I have some questions for Opera Australia.

Senator Kemp—That is the Australia Council.

[9.30 a.m.]

Australia Council

CHAIR—I welcome the Australia Council.

Senator LUNDY—Minister, do you have an answer on the terms of reference?

Senator Kemp—Oh, Senator!

Senator LUNDY—I thought that is what you went to consult about.

Senator Kemp—I went up there to get myself a cup of tea and to reflect on the wide issues of the nation.

Senator LUNDY—I will keep coming back to you. I have a series of questions that relate to the answer to a question on notice about whether anyone had been approached to take the place of Simone Young as artistic director at Opera Australia. The minister responded, 'It is inappropriate for the government to become involved. Staffing issues such as this are entirely a matter for the board of Opera Australia.' But I am of the view that it is an issue of public interest and that it is in the public interest to discuss this matter. I have a series of questions that relate to the artistic director of Opera Australia. When does the artistic director's contract end?

Ms Bott—The contract for Simone Young ends at the end of 2003.

Senator LUNDY—Is that at 31 December?

Ms Bott—We are not sure of the exact date, but it is in December. That is my understanding.

Senator LUNDY—What arrangements are in place to identify a replacement for the director?

Ms Bott—Opera Australia has announced the establishment of an advisory committee of eminent persons to advise their board and management on artistic succession for Simone Young. I have the names here. I do not know whether you would like them?

Senator LUNDY—Yes, please.

Ms Bott—Neil Armfield, artistic director of Company B; Sarah Billingham, artistic manager of the Metropolitan Opera in New York; Rowena Danziger, the chairman of Opera Australia; Gordon Fell, a board member of Opera Australia; Margaret Fisher, also a board member of Opera Australia; Sir Charles Mackerras, conductor; David Malouf, author, opera librettist and also a board member of Opera Australia; and Noel Staunton, who is the executive producer of Bazmark Live and a former technical director of Opera Australia and the English National Opera. So it is an eminent committee of knowledgeable people that will be advising the company not only on the selection but, in the first instance, on the actual shape of the role of the future artistic director.

Senator LUNDY—So you are reviewing the nature of that role? It could possibly change?

Ms Bott—We are not. We, of course, are at arm's length. That group of people will be advising the board of Opera Australia on the role and then the process of filling that role. That is my understanding.

Senator LUNDY—Is that process due to be completed and a replacement found by the end of this year?

Ms Bott—I do not have any direct information on that. I know that they are operating now in terms of meeting with company members and other stakeholders. I am sure that their timetable would be that they would like to have that task done during this year so that a replacement can be announced as soon as possible.

Senator LUNDY—Do you know whether the advisory committee has or intends to engage an executive search company, or the equivalent in this field, to assist them?

Ms Bott—I have no idea, I am sorry. I can find that out but I do not know.

Senator LUNDY—Could you take that on notice. How many people attend performances that are auspiced by Opera Australia?

Ms Bott—I do not think I have that figure with me.

Senator Kemp—We can take that on notice.

Ms Bott—I can easily find out. That would certainly be in our files at the Australia Council.

Senator LUNDY—I am also interested in the total receipts of Opera Australia for the past financial year. So I guess that would be the previous—

Ms Bott—Do you mean the key budget—

Senator Kemp—The ticket sales?

Senator LUNDY—Yes.

Ms Bott—That I can give you.

Senator LUNDY—It would be in the annual report.

Senator Kemp—Yes.

Ms Bott—Certainly. The annual budget of Opera Australia is \$55 million. I am rounding off the figures. Their total box office is \$30 million of that.

Senator LUNDY—Have there been any statistics prepared on average income of attendees of Opera Australia and the demographic that that organisation is able to meet?

Ms Bott—They would have those figures. I am not sure if they would have average income. They certainly would have done significant audience analysis, I am quite sure, as all of our major companies do.

Senator LUNDY—Could you provide the committee with perhaps one of the audience analysis reports?

Ms Bott—There would be some restrictions in terms of commercial-in-confidence information about their audience profile. We would need to discuss that with them, I would think.

Senator LUNDY—I am sure there is a way in which the data can be presented to the committee. Given that it relates strongly to the expenditure of taxpayers' money, I would be very dubious about any commercial-in-confidence claims about statistics or qualitative analysis of their audience.

Senator Kemp—Senator, we note your views on that issue.

Senator LUNDY—Thank you. Could you take it on notice?

Senator Kemp—We will take the question on notice and we will see what type of information can be provided.

Senator LUNDY—I know Opera Australia goes to great efforts to make opera more accessible, and I commend them for that. I am particularly interested in how successful they have been in that endeavour. I know here in the Canberra region we are often privileged to have extremely accessible opera events.

Ms Bott—Excellent.

Senator LUNDY—Could they provide information about strategies to push opera out into regional areas and non-traditional areas for opera audiences and how successful that has been in recent times.

Senator Kemp—I am sure we can help you there. I think that one of the thrusts of Opera Australia is to have opera more accessible to people in regional and rural Australia. I think Oz

Opera leads the charge in that direction. We would be very happy to ask the Australian Opera to provide some information on that. I am sure they would be happy to do so.

Senator LUNDY—Thank you, Minister. You mentioned \$55 million in total receipts; \$30 million comes from the box office. Does that mean that the government funds the rest or are there other sources of income?

Ms Bott—Fundraising and sponsorship income is approximately \$8 million. Total government subsidy—federal and state—is just under \$17 million out of the \$55 million.

Senator LUNDY—What proportion of that is federal?

Ms Bott—\$13.8 million of that \$16.9 million comes from the Australia Council; that is, I should clarify, for both Opera Australia and the Opera and Ballet Orchestra that serves it.

Senator LUNDY—Okay. Minister, have you had any involvement in the search for a new artistic director for Opera Australia?

Senator Kemp—No, I have not been approached to assist in that search.

Senator LUNDY—Has the company made any losses recently?

Ms Bott—Yes. The company announced in late January that they would be making a deficit of \$2 million for 2002.

Senator LUNDY—I thought I had seen that somewhere.

Ms Bott—At the same time they announced their plans for reviewing operations as well as the artistic succession that I mentioned before. That was part of the same announcement.

Senator LUNDY—Can those losses be attributed to anything in particular?

Ms Bott—The operating costs of the company increased by 10 per cent at a time when their overall income increased by five per cent. So in fairly simple terms that was the main reason for the loss. They are anticipating a much smaller loss in this current year and are reviewing their operations in liaison with the Australia Council to turn that situation around for 2004.

Senator LUNDY—So that review is happening separate from the re-appointment of a new artistic director?

Ms Bott—Yes. It is a separate process.

Senator LUNDY—That is being managed by the board in consultation with the Australia Council.

Ms Bott—The board and management of Opera Australia are responsible for that review but the way that the Major Performing Arts Board works is that we work in close consultation, in this case with two state governments and our own operations and the company. So it is a sort of governance to governance system. The grant moneys are paid on receipt of acceptable business plans and budgets for future years.

Senator LUNDY—What is the time frame for the review to be completed and presented to the respective government contributors?

Ms Bott—It will be taking place over the next six months.

[9.42 a.m.]

**Australian Film Commission
Australian Film Finance Corporation Ltd
Australian Film Institute**

Senator LUNDY—Thank you. I only have a few questions for each of the Australian Film Commission and the Australian Film Finance Corporation and the Australian Film Institute. It might save time if officers all come to the table at the same time. My first question is for the Australian Film Commission. With the government's increase in production funding in July 2002 has there been a corresponding increase in production of locally produced material?

Mr Dalton—I should clarify that the Film Commission is the federal government's development agency so the funding that is provided to us is for a range of development activities within the Australian film and television industry. Of the additional funds that we received this financial year, a portion of those funds—a fairly substantial portion—was directed towards what we call the professional development programs we operate. That means that we fund a range of short films, short features, animations and documentaries. So to that extent, yes, we will be committing more money this year in the area of professional development programs than we did last year.

Senator LUNDY—Sorry, when you say this year are you talking this current financial year?

Mr Dalton—This current financial year. You will not see an exact correlation this year. I would expect that as those commitments are made and then contracting takes place the money will be spent partly this financial year and partly next financial year. But, yes, there will be an increase in the amount of money that we are committing in the area of production.

Senator Kemp—The figures that I have before me on the production activity in Australia, and this is Australian productions and foreign productions, are that the total production activity in Australia in 2000-01 was valued at \$863 million and in 2001-02—that is the latest year for which we have figures—was \$897 million.

Senator LUNDY—That is for this current financial year?

Senator Kemp—We do not have figures for the current financial year because it is not yet over. The point I am making is that that is the value of production, and that it was a healthy rise on the previous year, 2000-01.

Senator LUNDY—Thank you. I am trying to get a view as to whether or not that will again increase proportionally.

Senator Kemp—As you know, the government has made a very strong commitment to the film industry. That commitment is one which the film industry has welcomed. When I go around, people are delighted by the support the government has shown. It is a bit hard to forecast the current year because, as I have said, the current year is not yet finished. However, the trends suggest very healthy activity. I think it is fair to say that.

Mr Dalton—Certainly at the moment.

Senator LUNDY—We will watch with interest. What steps is the government taking to ensure that there is sufficient studio space for local film productions?

Senator Kemp—I can be corrected by people who are far more expert on these things than I, like Mr Dalton. However, I think quite a bit of studio space is being provided by state

governments at present and helpfully financed—if you go from Queensland to Sydney. Certainly the Victorian Labor government has plans afoot for a significant increase in studio space.

Senator LUNDY—Studio space is a bit of an issue, isn't it?

Mr Dalton—There is no doubt that studio space has been expanding in Australia over about the past 10 years. We have seen a fairly dramatic increase in the past five or six years. That is in response to a growing interest in and commitment to using Australia as a destination for offshore production, particularly out of the US. The facilities that have grown up in Queensland and Sydney, and the one planned for Melbourne, and older ones that exist and are still very well used in South Australia, usually are a mixture of private investment and, as the minister said, state government assistance in one form or another. Traditionally, that has been an area where state governments have been quite active through a variety of strategies and policies, some involving direct financial intervention but otherwise assistance through special particular offices run through their state film funding agencies. But it has traditionally been an area operated by the state governments.

Senator LUNDY—What initiatives are being taken in relation to encouraging investment in foreign production of films?

Mr Dalton—Part of the package of measures introduced by the government and announced in August 2001 was a scheme which involved a rebate for projects which reached a certain level of budget and in which a certain level of that budget was spent on Australian elements. That was an incentive package aimed primarily at foreign production.

Senator LUNDY—To clarify that: aimed at foreign production to be filmed here in Australia?

Mr Dalton—Here in Australia. That is right—offshore production filmed here in Australia.

Senator LUNDY—Using Australian actors and infrastructure?

Mr Dalton—Yes, using Australian infrastructure, Australian crews and Australian creative talent. The department may well be able to contribute to this, but from our own observations it is still early days to come up with any specific figures about the impact of that. Anecdotally, it has certainly been well received in the international community and has certainly assisted Australia to maintain a competitive position in what is a very competitive area with other countries attracting this sort of production.

Senator LUNDY—Can you just explain the nature of the rebate and what the threshold value of the production is?

Dr Stretton—The eligibility requirements of the offset are limited in its availability to feature films, telemovies and television miniseries, with a qualifying Australian production expenditure of at least \$15 million. That is the first requirement. The rebate is 12.5 per cent of the qualifying Australian expenditure.

Senator LUNDY—Can you explain in more detail how the rebate actually works? What is it 12½ per cent of?

Dr Stretton—The qualifying Australian expenditure.

Senator LUNDY—Which is \$15 million?

Senator Kemp—At least.

Dr Stretton—In order to qualify, a film must have a qualifying Australian expenditure of \$15 million so it can be—

Senator LUNDY—Minimum?

Dr Stretton—Yes, minimum. Once it reaches that threshold, the production company can claim a tax rebate equivalent to 12½ per cent of that qualifying Australian expenditure, whatever it might be.

Senator Kemp—I think the point that was made by Mr Dalton is worth stressing: we are advised that the offset has been very well received.

Senator LUNDY—Is that what you call it—an offset?

Senator Kemp—In the tax law a rebate is now often referred to as an offset; we can read them as the same.

Senator LUNDY—You would be an expert at all that stuff, wouldn't you!

Senator Kemp—I am going back to my role as Assistant Treasurer here, to blind you with science—

Senator LUNDY—You are well placed to set me right on this.

Senator Kemp—on the tax law. The offset has been very well received by the major studios. I have a quote here that is perhaps worth putting into *Hansard*. Michael Lake, President of Village Roadshow Production Management, called the offset:

Probably the best incentive for film production in the world. [It is] competitive, clear cut and offers a direct avenue between producers and government that cuts out the middle-man.

I am also advised that departmental officers are liaising closely with the film industry, in Australia and internationally, on the implementation of the offset, or rebate, and are responding to any issues which are raised. An officer met with executives from all of the major US studios in Los Angeles in October last year to answer specific industry questions on the operation of the offset eligibility criteria and the practicalities of working in Australia. I am advised that interest in the rebate from the international industry has been very strong. As Mr Dalton indicated, it is still early days, but certainly the anecdotal reports that we have received say that this has been a valuable initiative by the government and it is one we are monitoring very closely.

Senator LUNDY—How many offsets have been paid to foreign film companies to date?

Senator Kemp—The first film has now been issued with a certificate of eligibility for the offset, and it is expected that several other films will be seeking certification within the next few months.

Senator LUNDY—What is the budgeted impact of the offset for this current financial year?

Dr Stretton—It is \$168 million over five years.

Senator LUNDY—How is that spread across those five years?

Dr Stretton—We will take that question on notice, if that is okay. We do not have that here.

Senator LUNDY—But you would have a bit of an idea in the first year; it was announced in October.

Dr Stretton—We will try to get it within the next hour or so.

Senator Kemp—We will see what we can do.

Senator LUNDY—Over the five-year period how does that figure relate to the overall funding for film? Is it over and above?

Dr Stretton—It is in addition to—

Senator LUNDY—Does it impact upon—

Dr Stretton—No. It is an additional form of support to the direct appropriations provided to the FFC, the AFC, AFTRS, Film Australia, ACTF et cetera.

CHAIR—What role did the Australian Film Commission play in supporting the film *The Tracker*? You were co-sponsors of that film, were you not?

Mr Dalton—We were not involved in either the development funding or the production funding of that particular project. We were involved in providing a level of what we call cash flow assistance to assist the film to go into production, but we were not directly involved in funding either its development or its production.

CHAIR—Was that with the South Australian Film Corporation?

Mr Oliver—The South Australian Film Corporation invested in it, along with the Film Finance Corporation.

CHAIR—It was not you, but the Film Finance Corporation that invested in it?

Dr Stretton—Yes, the FFC invested in it.

CHAIR—Did you have any role in it beyond what you have described, in terms of assessing the script, the format, the characterisation or anything like that?

Mr Dalton—No.

[9.57 a.m.]

Senator LUNDY—My questions relate to the replacement of Katrina Hughes, the former CEO of the Film Finance Corporation. Minister, why did you take over two months to decide whether the board's recommended candidate was a suitable choice for the position?

Senator Kemp—I am not quite sure how much time was taken. My understanding is that the applicant withdrew her application in the end.

Senator LUNDY—Why did you not step in earlier, given that the candidate, Ms Linda Tizard, was the board's recommended candidate and could perhaps have been secured for the position if you had acted in a more timely fashion?

Senator Kemp—Governments are entitled to take time on these issues. I think boards are wise to advise candidates that sometimes these issues will take some time. That is precisely what happened.

Senator LUNDY—I thought you were going to say that it was just a terrible oversight and a real shame that it occurred.

Senator Kemp—I do not think it is appropriate for me to discuss an individual before this committee.

Senator LUNDY—I am discussing your consideration of the candidate.

Senator Kemp—These are important appointments. Previous governments did, and this government will, take time to consider appointments to these important positions.

Senator LUNDY—Surely you can see that alternating two staff in the position of CEO on a monthly basis is less than optimal?

Senator Kemp—We hope that a CEO can be appointed as soon as possible.

Senator LUNDY—Why have you not been able to appoint a replacement? Ms Hughes left in January 2002.

Senator Kemp—A recommendation was withdrawn and a process has now been gone through to identify another potential CEO. That is where the issue now stands.

Senator LUNDY—What is the estimated time frame now for a final appointment to be made?

Senator Kemp—We always would prefer to have appointments made as soon as practical, but it will take some time. It does take time.

Senator LUNDY—Can you tell me the average amount of time it takes to make such appointments, so we can get it all in perspective?

Senator Kemp—I do not have that figure in my mind.

Senator LUNDY—What is the process now for getting a replacement CEO?

Senator Kemp—Typically, the process is that potential candidates are identified, the board then makes a recommendation to the government and then the government considers those recommendations.

Senator LUNDY—Can I ask the officers at the table: has the board recommended a candidate at this stage?

Mr Oliver—Management has not been involved in the selection process.

Senator LUNDY—At all?

Mr Oliver—It is a matter for the board.

Senator Kemp—As you would expect, we are working closely with the board.

Senator LUNDY—Has the board found another candidate whom they have recommended to you?

Senator Kemp—We are having discussions with the board. Some names have come forward, and we will be looking at those. Hopefully, this matter can be brought to a conclusion fairly soon.

Senator TCHEN—Mr Oliver, yesterday I put a number of questions to the ABC on a documentary which was jointly financed by the ABC and the Film Finance Corporation called *Victims*, also known as *Seasons of Revenge*. It was made in 1997. A number of questions about how the commissioning of that documentary came about have been raised with the ABC in estimates, mainly because the ABC was supposed to air that documentary. This meant that the ABC was seen as the lead agency, yet the ABC invested \$82,000 in that documentary, whereas the Film Finance Corporation invested \$195,000. Yesterday, ABC management told me that because the Film Finance Corporation was the larger investor you would have a greater say on how the commissioning came about. I will not ask you to answer this question straightaway. I will give it to you as a question on notice. From your file, can you provide the committee with the background of how the commissioning came about, how the decision was made and how you chose producers? Can you also provide us with any other background information. The documentary is called *Victims* and is also known as *Seasons of Revenge*. The

documentary maker was a Ms Janet Bell, who was the producer, narrator and director of the program. It was made in 1997. Do you need any more details?

Mr Oliver—No, that is sufficient.

CHAIR—There being no further questions, I call the National Archives.

Senator LUNDY—I am sorry, I have some further questions.

CHAIR—Are they for the National Archives or the Film Finance Corporation?

Senator LUNDY—The Australian Film Institute.

CHAIR—They are not on the list.

Senator LUNDY—Then I will have to put them on notice. Perhaps I should have directed them to the Australian Film Commission.

Senator Kemp—This is not the specific government agency but we do provide funding to it and if you have some questions we will see what we can do.

Senator LUNDY—It is nothing that cannot be placed on notice.

Senator Kemp—Yes, they can be placed on notice.

Senator LUNDY—If you are particularly enthusiastic and want to avoid questions on notice, what progress has the Film Commission made with the AFI board to ensure its continued solvency? To be specific, are the proposals that have been put forward by the AFC working group going to be adopted by the AFI board?

Mr Dalton—Do you mean the working group that was doing its work 18 months ago?

Senator LUNDY—Possibly.

Mr Dalton—Some of the—

Senator LUNDY—You should know more about it than me.

Mr Dalton—I am just going back in time; that is all. There were a number of issues canvassed as part of the working group, which was chaired by the department. The AFI pursued some of those, most recently the library and research service that the AFI had run for quite some time. It came to an agreement with RMIT and that library is now being auspiced and run through the RMIT media department.

The major and central function of the AFI, which is to run the AFI awards, continues and it ran successful AFI awards in December last year. I am aware of discussions taking place at the moment about going forwards and how the AFI intends in terms of its own structure and relationships with other funding agencies to go forward for future AFI awards.

Senator LUNDY—So what steps are being taken now to ensure—perhaps I should ask the minister—that the insolvency that had been faced by the AFI will not recur?

Senator Kemp—I am not sure I can add too much more to what Mr Dalton said.

Mr Dalton—It is an independent organisation, so to a large extent its solvency or insolvency is the business of the AFI but it is a funded organisation. It is also funded substantially through Film Victoria—

Senator LUNDY—That is the point, really.

Mr Dalton—Yes, but all I am saying is that we communicate very regularly and we discuss long-term strategies because it is considered that the function and the role of the AFI is important in terms of the Australian Film Institute. So we communicate very regularly and

work very closely with them, along with other agencies—in particular, Film Victoria because the AFI awards have been held down in Victoria in Melbourne now for a number of years.

There has been significant restructuring taking place over the past 12 months in terms of the library moving and in terms of the distribution service ceasing to operate. The AFI has sold off its major asset, which was the State Cinema in Hobart and managed to assist aspects of their cash flow and balance sheet as a result of that sale. So in that sense, as I was saying, there is very regular communication between us and we monitor their reporting and we talk to them on a regular basis and we assist them in terms of strategic development about going forwards.

Senator LUNDY—Okay.

Dr Stretton—I have now the breakdown of that \$168 million over five years. I can provide that to you now rather than later.

Senator LUNDY—Yes, please.

Dr Stretton—In 2001-02, \$4.7 million; in 2002-03, \$35.2 million; in 2003-04, \$32 million; in 2004-05, \$42.8 million; and in 2005-06, \$53.4 million, which hopefully adds up to \$168.1 million.

Senator LUNDY—Thanks very much.

[10.10 a.m.]

National Archives of Australia

Senator LUNDY—Minister, I understand that Ms Anne-Marie Schwirtlich is presently on leave and will not be returning to the Archives as she has accepted another position. Is that correct?

Senator Kemp—Ms Schwirtlich, who is currently acting in the position of director-general, advised staff that she will be leaving the National Archives to take up the position of Chief Executive Officer and State Librarian, State Library of Victoria. We have some dates for you.

Mr Stuckey—She resigns from the Australian Public Service on 18 February and commences as CEO of the State Library of Victoria on 20 February.

Senator LUNDY—Mr Stuckey, I take it that you are now acting director-general?

Mr Stuckey—I am.

Senator LUNDY—How long was Ms Schwirtlich acting in that position?

Mr Stuckey—Since October 2000, I understand.

Senator LUNDY—Minister, given that it is now 2003, can you explain why no substantive appointment was made for such a long time?

Senator Kemp—Let me outline the position. This of course predates my arrival in this portfolio, but I think applications were originally sought for the position of director-general and a decision was then made. I was not there, but Dr Stretton might be able to provide the detail on that.

Ms Williams—Unfortunately I was not here either, but I understand that the process was undertaken and no conclusion was reached, so it was decided to readvertise at another time. There were some things during that period, like an election, which meant that the process was delayed. It was advertised again—

Mr Stuckey—It was advertised in August last year, I seem to remember.

Ms Williams—and a process was run. I chaired the committee. The other members of the committee were the chairman of the Archives, Jim Carlton, and the Public Service Commissioner, Andrew Podger. This is an executive agency, so the decision is one for the minister. The committee spent a while carefully checking referees, because it is an important position, and we made a recommendation to the minister which is currently under consideration.

Senator Kemp—That is an announcement that we have to make in the very near future.

Senator LUNDY—Was any public announcement made about the change of director-general in the lead-up to this August process or following it?

Senator Kemp—I think it was explained that the position was advertised. People applied for the position.

Senator LUNDY—Did Ms Schwirtlich apply?

Ms Williams—She did apply and, as you know, found another position before the decision was made on this particular position.

Senator LUNDY—Thank you. I did not really get an explanation as to why it took so long, but perhaps you could take it on notice as to what processes began following her appointment in October 2000 up until the current period.

Senator Kemp—Because no-one was here in that earlier period, I think it probably is best we check the facts before I make comments on it.

Senator LUNDY—I am happy for you to take it on notice. Could I ask the National Archives briefly in relation to tourism numbers—people visiting the institution—whether you have noticed any significant decline following the bushfires in Canberra?

Mr Stuckey—No, not to us. Yes, in the weekend concerned—obviously—but no substantial change.

Senator LUNDY—That is good to hear. That is all I have.

CHAIR—That would appear to be all the questions for you, so I thank you for appearing. We now call the National Gallery of Australia.

Senator LUNDY—While they are coming to the table, Chair, could I ask the minister whether he has contemplated providing the terms of reference for the cultural institutions review?

Senator Kemp—Senator, I have contemplated that. I have wrestled with my conscience over this. I have made a decision that the terms of reference of the review are really internal to government.

Senator LUNDY—That is very disappointing.

Senator Kemp—I may be overruled by other departments but that is the decision that I have made. If you want to go to the Treasury and Finance committees and see if you can persuade them—

Senator LUNDY—I would expect you to assert your seniority and not cower in their shadow.

Senator Kemp—I have made a decision but there are three other agencies there and I may be outvoted, but I think it is unlikely.

[10.17 a.m.]

National Gallery of Australia

CHAIR—We welcome Dr Kennedy and Mr Froud.

Dr Kennedy—Good morning.

Senator LUNDY—It is going to come as no surprise that the issue first on the agenda this morning is in fact airconditioning. After some incidents over the last little while, yesterday it all came to a head again. So for the record, Dr Kennedy, what parts of the National Gallery have been shut down and for how long will these exhibitions and areas be closed to the public?

Dr Kennedy—On the forwarding of an order from Comcare yesterday, three gallery spaces, one of which is divided into two—the Asian galleries and two of our temporary exhibition areas, which currently have the David Moore photographic exhibition and an international new media art exhibition—are closed currently while Comcare investigate the matter. They were closed for a period of time last week from Wednesday through to Friday and on each day from Wednesday right through to Sunday, we were given clear assurance by our independent experts that the galleries were safe to be occupied. However, after contact yesterday by our occupational health and safety officer to let Comcare know that there were still traces of insulation fibreglass on surfaces in one of the galleries, Comcare took the decision—which is their right—to make an order to keep those areas closed from staff and the public until they have resolved the matter. How long that takes them is a question for Comcare.

Senator LUNDY—Can you tell me if any staff members have reported sick or have suffered any illness that you are aware of as a result of the fibreglass?

Dr Kennedy—On the particular day, a number of people took their complaints to human resources and told them that they had dryness of the throat or felt a little unwell. All of those were recorded and all staff were given the assurance that, if they had any issues that they wished to report, they should do so. We have been in touch with the Commonwealth Medical Officer to make their services available, should anybody wish to avail themselves of them.

Senator LUNDY—In terms of Comcare's role, has there been any type of airborne monitoring or air quality monitoring in the Gallery due to the incident last week and the incident yesterday?

Dr Kennedy—Absolutely. That is the independent expertise to which I referred.

Senator LUNDY—Was that independent expert brought in by Comcare or the Gallery?

Dr Kennedy—As I have described here before, the Gallery itself brings in a consultant on a regular basis for routines to do with the air conditioning.

Senator LUNDY—Who is that contractor?

Dr Kennedy—It is a firm called Robson Laboratories. They were asked to come in on Wednesday and every day through to Sunday, inclusive. In fact, they also came in yesterday.

Senator LUNDY—I want to get this clear. Last Wednesday, when Comcare first shut the Gallery down, Robson Laboratories came in and started their air quality monitoring?

Dr Kennedy—No. Comcare did not shut it down last Wednesday. The Gallery, while it satisfied itself that the areas were safe to be occupied, closed the areas last Wednesday.

Senator LUNDY—I am sorry, I misunderstood. The Gallery took that initiative last week?

Dr Kennedy—Yes.

Senator LUNDY—As part of that initiative, Robson Laboratories came in to do air quality testing?

Dr Kennedy—Yes—successive air quality testing. Mr Froud has the papers here and I also have copies.

Senator LUNDY—Could you provide those to the committee?

Dr Kennedy—Certainly.

Senator LUNDY—What were the results of the air quality testing?

Dr Kennedy—The statements consistently end with the comment that the areas are able to be reoccupied with safety and that synthetic mineral fibre had not been detected in the air.

Senator LUNDY—How do you reconcile that report with the fact that fibreglass had obviously been found in the areas, hence your own action and Comcare's action this week? Do you think it might be coming out of the airconditioning periodically? What is your theory?

Dr Kennedy—We are investigating how this happened. It happened in an area of duct work where the fibreglass insulation was protected—covered—by aluminium foil, which was taped. This was in an area that had been refurbished. We understand that the only way that the material could have got out was if that foil was ripped in some way. We do not know how that happened, and that will be subject to investigation. Because it happened in a wind tunnel, it spread fibres into the galleries affected by that particular air handling unit. It is one of 18 units we have; it is air handling unit 4. It blew insulation fibreglass into the galleries. When people were inspecting those galleries for cleaning, those galleries were found to have this material on surfaces and, therefore, on the floor. We have brought a sample so people can see what it looks like. It effectively looks like what is in many people's attics. I know you are well familiar with this sort of material from past experience. It has created a scare. We needed to make sure, first of all, that our staff were fully aware of what it was and of any difficulties that might emerge from it—which were things like possible skin irritation, dryness of the throat et cetera—if there were quantities in the air. Successive testing, throughout all of those days, has shown that that is not the case. We can provide you with that material.

Senator LUNDY—I have a couple of technical questions about the testing. I know a little about synthetic mineral fibres. I know they are classified as a class 2B carcinogen—that is, possibly carcinogenic. As I understand it, the issue of their presence in the air is directly related to the risk—that is, the risk is present if they could be inhaled. Regarding the results of the air monitoring that was conducted, was that continuous through the day and night or was it for identifiable periods of time?

Dr Kennedy—I can provide you with the exact times, which are in all of these papers. It was successive monitoring throughout the day. During the night-time, there is nobody in the galleries at all, so it was a matter of seeing what settled on the floor.

Senator LUNDY—So that monitoring did not continue through the night?

Dr Kennedy—No, I do not think so. I will check, but that is not my belief.

Senator LUNDY—In terms of yesterday and Comcare's involvement, what instructions have Comcare provided to the Gallery about managing the situation now?

Dr Kennedy—Personally, I have had no instructions other than a prohibition order, which is very clear. It says that until Comcare conduct its investigations in those particular areas,

staff and the public are not to enter them. I welcome the approach and have assured the deputy head of Comcare yesterday of the Gallery's full cooperation in the processes they feel they must do. In the interest of public safety, but also of calming and reassuring staff, the issues associated with this particular kind of material are issues directly related to the quantity of it that is in the air. As you know, I am no expert on airconditioning—and I wish I was not here talking about it—

Senator LUNDY—I thought you would be by now!

Dr Kennedy—I am more expert than many gallery directors, I would have to say—but I do not, by any means, want to make light of the issue. The presence of this material in the air is the issue. Generally speaking, the only issues which are serious affect industrial and manufacture processes. We have had considerable confidence from the communications that we have had with our advisers, which include, of course, the Commonwealth Medical Officer, who will not wish to interfere in the process at all until Comcare has concluded their process. The key issue for us was, therefore, to make sure that airborne fibres were not present.

Senator LUNDY—Apart from closing those areas down, what other initiatives are you taking to protect staff and indeed the public, particularly in relation to other airconditioning units which might be vulnerable in the same way to a similar type of incident? I do not know if there are other areas where fibreglass has been taped over and could potentially come loose. What have you done to make sure that it does not happen in other areas?

Dr Kennedy—The first thing we want to do is investigate why this happened. We have talked with people who are familiar with the plant in this building. It could happen from time to time that, for example, aluminium foil could get nicked by somebody cleaning in the duct work or whatever. But we have to find that out. We want to find out exactly the nature of the problem: is there any way it could have happened accidentally or deliberately? I do not know. I am trying to find out. We have not had the experience before.

A lot of emotive language has been used about it, which I was very concerned about last week: 'an explosion in the system' was one example of media coverage and 'showered everywhere' was another. Really, there was nobody in the place to know that. The cleaners came in and found material on the floor and on surfaces. I think the real issue is to make sure that there is knowledge about what the material is, knowledge about the risk associated with it and knowledge about exactly what we had, which is subject to investigation.

Another matter that we are taking in hand, I think, is particularly important. I must seek to express my utmost concern about what is happening in regard to the airconditioning system. The process of continuous scrutiny is absolutely appropriate from this quarter—and I will answer any questions that you ask me, Senator, to the best of my ability. But where we are in an environment of public scrutiny on the basis of comments made, many of which I have to say are irresponsible and are made by people who are not accountable and who do not have to come here, there is a scare factor. The really dangerous position that we could find ourselves in is where our experts are telling us that an environment is safe to be occupied but nobody wishes to occupy it because of a fear that is generated around it. We have reached this point, and it is a very serious point, and I intend to take action on it. Obviously, I have that responsibility as director. So I am seeking support to find out the nature of what is happening around the system and the information that has been passed about it and then misrepresented, which is clouding the issue for us all. I think that is really important.

Finally—and I think we have reached this point also—I have to say that even the scrutiny of our existing management team is causing very considerable pressures, which are

manifesting themselves in people being ill, people being in coronary care—people being in various places—as allegations are made of them, many of which have proved to be false. The continuous pressure of media scrutiny about airconditioning at the National Gallery has caused me to believe that I will have to review how we conduct ourselves. Therefore, over the next number of weeks we will be exploring, as we have been to date in a brief way, how other systems are operated—the nature of the balance between public servants operating them and consultants and service providers operating them.

Certainly, many of the things that have been said about the management of our system by public employees where those public employees did not have the right or the capacity to defend themselves against those challenges could not possibly be made against contractors or consultants in the same way without reaction. I really feel that we have reached the point, which is a serious point, where I have to make sure that public confidence is clear in the Gallery. I myself have confidence that if there are no airborne fibres detectable to any level, even a marginal level—none in our reports—that therefore they are safe to be occupied. But Comcare is the competent government authority and I will listen to them.

Senator LUNDY—Thank you for that quite extraordinary statement. The first thing I would like to say is that it is this forum which gives you the opportunity to put the facts on the table as you see them. I have already asked for the records of the detection of airborne fibres or air quality monitoring—whatever you would like to call it—to be tabled. But if you are somehow implying that the accountability processes—you did not directly imply it with this committee but perhaps with regard to scrutiny derived as a result of the parliamentary processes—are causing problems I would have concerns about that.

Senator Kemp—Senator, I think you should not be too pious on this matter. I think we are all aware that allegations are often raised. Sometimes those are not correct but it does cause concern to people. I think that Dr Brian Kennedy has indicated to us some of the pressures that result on staff. No-one doubts that accountability is important. It is important that people know the facts. But that is a different order of events. I am not suggesting it in relation to this particular matter but I have now been at these estimates for over 12 months in this job and allegations are often raised and sometimes those turn out to be not correct. This does lead to pressures on the individuals who are involved. That is what I took Dr Kennedy as saying.

Senator LUNDY—I certainly appreciate Dr Kennedy's comments but, again, I think it is a reflection of a management style that pressures are brought to bear.

Senator Kemp—Sometimes one can make those comments. Sometimes you can say that these pressures are as a result of campaigns that may be run by some of our colleagues and senators. I am just saying that we live in the real world. I have no problems with accountability. I have no difficulties with this committee asking questions. I think where we can give comprehensive answers, we do. But I do not think we should blind ourselves to the fact that things in this committee can be pretty aggressive at times. This can lead to our colleagues making unfortunate allegations and comments which can lead to pressures. I think that is the short substance of what Dr Kennedy was saying.

Dr Kennedy—Senator, I hope that, on re-reading the transcript if there was any sense that you have taken it that way you will see that I am not talking about this place at all. This place serves us very well because it is part of the government process of accountability. We are a profoundly transparent organisation. For example, even the email that we sent to all of our staff on Thursday made its way to being public very quickly. We are accountable and we intend to be that way. These are serious matters.

I am concerned, however, about another matter which is totally different. It is where you have people who make accusations and complaints who can go on the television and claim for you to be shut down. On what competent authority do they say such things? I am concerned about that. I am concerned about the implications that it has. We are heading for a situation, if this is not controlled, where we need to make sure that the public confidence is retained. It will not be retained.

Senator LUNDY—The way I am interpreting that is: you are saying you are considering removing public servants from the maintenance roles, or some staff roles, and replacing them with contractors. I don't know how else to interpret what you are saying, or why you would be saying such a thing here.

Dr Kennedy—I am deliberately saying that the current situation is proving highly unsatisfactory to me, as the director. My management style is to fix things, it is to go after works of art and buy them, it is to do things. I have told you and your colleagues before in this place: I will fix this. If what we are doing at the present time is not fixing it, I must review other ways which might fix it. Other institutions in this city do handle their airconditioning in different ways. I have to explore why they are not here today talking about their airconditioning. I think that is a reasonable response.

Senator LUNDY—In terms of the actual substance in the Gallery, were Robson Laboratories able to confirm that it is indeed fibreglass?

Dr Kennedy—Yes. We know where it has come from.

Senator LUNDY—What is the process now for cleaning it up? Are Comcare managing that process? I understand that, with the prohibition notice, you cannot touch it and you cannot clean it up until they complete their investigations. Can you just describe the 'what happens next' scenario?

Dr Kennedy—That is really a question for Comcare. They have taken authority to actually do this themselves. We have, in the intervening days, of course, had firms who have been cleaning the area, to the extent that on Friday it was clear to be occupied. There were some pieces of industrial fibreglass on the floor yesterday morning—not more than a dozen. This will happen. I am no expert but, in commonsense terms, I imagine that if it has been blown into the area of, for example, the Asian galleries, there may be some still in the duct; that is possible. It is also possible that there may be some on the rafters, on the battens and on the lighting. As the air is circulated, it will drift down onto the floor and onto the top of cases, on to sculptures and, indeed, perhaps on to textiles.

Senator LUNDY—I also want to ask you about that. Has there been any damage to artworks?

Dr Kennedy—No damage has been notified to me that has not been remedied. It is very minor damage, relatively speaking, in that it is remedial if fibres enter on to, for example, textiles, which are highly valuable. But those textiles are vacuumed, for example, by our staff from time to time, and they are very expert and have been doing that. Those textiles were back on the walls on Friday. We are continually reviewing that. It is not desirable, let me say—not for a minute. It is far from desirable.

Senator LUNDY—Yes.

CHAIR—The minister has asked if we could have an early break, as he has some matters to attend to. With your agreement, we might have a short coffee break.

Senator LUNDY—I would rather proceed. The minister does not have to be here.

Senator Kemp—Senator, with these matters, I like to be here. Unfortunately, there is an issue I have to deal with, but I shall be back in 10 minutes time.

Senator LUNDY—No, I am actually keen to continue.

CHAIR—There is a scheduled break at 11 o'clock.

Senator LUNDY—That is right. I have been very conscious of my timing this morning, and I was actually hoping to have concluded with the Gallery by 11 o'clock.

Senator Kemp—Senator, this is very unfortunate. I have been very cooperative with this committee. I think the attitude you are displaying is most unfortunate.

Senator LUNDY—You don't have to be here.

Senator Kemp—If you wish to proceed in this manner, I will take my cue from you, Senator.

Senator LUNDY—No, I am not going to insist, Minister.

Senator Kemp—Yes, you are. I have asked to bring forward the coffee break by 10 minutes so that I can deal with a particular issue. I have asked for the committee to accommodate that. It is no big deal, and I am really quite astonished at your attitude, Senator, to be quite frank—quite astonished.

CHAIR—I think it is probably easier for us to have a coffee break.

Senator LUNDY—I am not going to be a pedant about it. I am just very conscious of your timing.

CHAIR—We will take a coffee break now.

Senator Kemp—Thank you.

Proceedings suspended from 10.39 a.m. to 10.52 a.m.

Senator LUNDY—Dr Kennedy, I would like to go through a chronology of the incidences and when they were notified. Could you assist me in going through a chronology of when you were first made aware of these incidences and what occurred at each step?

Dr Kennedy—With your support, I would prefer to wait for the Comcare investigation in terms of the detail of this issue, because they have to go through a lot of information and I do not wish to say anything that we would end up having to revise in any way at all. Given that they are the regulatory authority, I would really rather talk to their investigators, if you would permit me.

Senator LUNDY—Okay. I will just ask you direct questions then and you can respond.

Dr Kennedy—Thank you.

Senator LUNDY—Who first reported this problem to you and when?

Dr Kennedy—I would like to wait for the Comcare report before I answer that.

Senator LUNDY—You cannot, I am sorry. I am asking you these questions and I would like you to answer them.

Dr Kennedy—What exactly are you asking me?

Senator LUNDY—Who first reported this problem to you and when was that?

Dr Kennedy—I have not gone through an exact chronology. Obviously, I was apprised of the matter on Wednesday morning.

Senator LUNDY—Last Wednesday or this Wednesday?

Dr Kennedy—Last Wednesday—the day that it happened. I was in a program managers meeting, if I recall. But, as I said, I would really prefer if we could go through this matter with Comcare.

Senator LUNDY—You will have the opportunity to, but I do have a series of questions about what has happened there, and this is a very useful opportunity to at least get some basic facts. The next opportunity we have will be the budget estimates and I would prefer to be asking you about your budget at budget estimates.

Dr Kennedy—I always wish to cooperate with you. I would be very happy to take as many questions as you wish to put to me on notice, so that they can be part of a chronology which is adequately overseen, so that it is correct. We are in the middle of an investigation.

Senator LUNDY—Can I just clarify: you were notified by a staff member last Wednesday, which would have been 5 February, that there was a problem with the airconditioning?

Dr Kennedy—As I said, we have a program managers meeting of our senior management, usually on a Wednesday morning, starting at half past eight. My recollection is that at that meeting I was informed. In fact, the meeting was informed.

Senator LUNDY—Was the airconditioning switched off at any stage following that notification?

Dr Kennedy—Once again, my understanding is that it had been switched off. But the accuracy of my replies would benefit from them being subject to review by Comcare.

Senator LUNDY—You said earlier that you took the initiative as management to close the three areas of the gallery from Wednesday through to Friday. Were those areas closed off to both staff and public for that whole period and when did you open them back up?

Dr Kennedy—The reason for closing them off was so that they could be cleaned and so that conservators could work to remove as necessary any material within the galleries or remove works of art so that they could be cleaned, if necessary.

Senator LUNDY—And that occurred during that three-day period?

Dr Kennedy—Yes.

Senator LUNDY—I know that, if you were cleaning at the same time as you were monitoring the air, that could impact upon the monitoring results. So can you tell me if you had air monitoring going on at the same time as the cleaning or how you managed that clean-up process and air monitoring process?

Dr Kennedy—I would have to take that on notice. Perhaps I could take the opportunity to say to you that, as indeed we found it most helpful when Senator Schacht visited the gallery, I would like to extend to you and your colleagues an invitation if you so wish. You are very welcome at any time to come to the gallery to see precisely what we are doing.

Senator LUNDY—I know that, Dr Kennedy. You have extended several invitations and I am very appreciative.

Dr Kennedy—I think it would be helpful and I would love it if you took it up.

Senator LUNDY—It is slightly unrelated to the matter we are discussing, however.

Dr Kennedy—No, I do not think so. The point I am trying to make is that you will see the areas. You will understand what it is I am talking about: what is actually in the rooms and it becomes real as opposed to contextual.

Senator LUNDY—I am familiar with the gallery.

Senator Kemp—That is a very good point, Dr Kennedy.

Senator LUNDY—I do not think you should imply that my lack of familiarity in some way affects my ability to ask questions.

Senator Kemp—Senator, do not take offence. Someone is just seeking to help and there is no need to take offence.

Senator LUNDY—I know. I just want to move through these questions. If Dr Kennedy wants to take them on notice, that is fine, and he has expressed a general desire to do that. I would just like to move through my questions.

Dr Kennedy—Certainly, the last particular question I think it would be advisable to take on notice.

Senator LUNDY—Can you confirm that an email was sent to NGA staff advising them that airborne fibreglass particles could in fact be carcinogenic given their class 2B classification?

Dr Kennedy—Could you bear with me one moment? I will find the precise email, and I am happy to provide you with a copy.

Senator LUNDY—Could you provide a copy of that email to the committee?

Dr Kennedy—That was not the import of the email. The email was to reassure staff by the provision of information.

Senator LUNDY—Certainly.

Dr Kennedy—It explains exactly what synthetic mineral fibres are. It said that some symptoms which could occur if exposed are of the type that I described—skin and eye irritation, upper respiratory tract irritation—depending on the exposure, as I said. It went on to explain that samples had already been taken. I will provide you with any of those emails. I know that they have already been circulated anyway, but I would be very happy to provide them one way or the other.

Senator LUNDY—Thank you. If you could provide copies to the committee, that would be helpful.

CHAIR—Are you tabling that document?

Mr Froud—I am and also the document that was referred to earlier, the testing from Robson Laboratories, we will also table.

CHAIR—Does the committee agree that these documents be accepted? I am sure they do, so they are hereby tabled and will be referred to in *Hansard*.

Senator LUNDY—Dr Kennedy, did you provide reassurance to your staff that it was safe to work in the affected areas and that you were prepared personally to work in those areas, such was your confidence of safety?

Dr Kennedy—We provided a global email to all of our staff and, following the initial examination and results coming through on Wednesday, we provided that on Thursday. I did

personally make a remark to that effect on the basis of the advice given to a security officer. We count on our advice.

Senator LUNDY—Was that communication with your staff in the form of an email?

Dr Kennedy—Yes, the global email was sent to all staff.

Senator LUNDY—Could you table a copy of that also?

Dr Kennedy—Certainly.

Senator LUNDY—Have the security staff expressed concerns about working in parts of the Gallery? I am linking it to your previous comment that you would be prepared to be in those areas.

Dr Kennedy—I did not personally hear of any concerns until yesterday morning, when it was suggested that we should await what Comcare said after we had consulted with Comcare through our occupational health and safety officer.

Senator LUNDY—I now have the report so I presume you were able to get a clearance reading on airborne fibre levels before reopening those affected areas in the Gallery. Is that the case?

Dr Kennedy—I understand that those papers were just given to you. There were many readings.

Senator LUNDY—Following last week, from 5 February to 7 February, what was the next incident in relation to fibres that you became aware of?

Dr Kennedy—Yesterday morning, first thing after the weekend, I was concerned to know what the situation was. On the way to my office, some time between 8 a.m. and 8.30 a.m., I was apprised by our manager of security that there had been an incident reported to the control room of some insulation fibreglass having been found on surfaces in the Asian galleries.

Senator LUNDY—So it is the same area again?

Dr Kennedy—One of them, yes.

Senator LUNDY—One of them?

Dr Kennedy—Yes, the largest of the three galleries which are currently closed.

Senator LUNDY—Was the airconditioning switched off?

Dr Kennedy—I went down to the area to inspect it myself, and I found that there were two pieces of insulation fibreglass. They were tiny. One was behind a sculpture on a plinth, the other on the floor.

Senator LUNDY—That was what you could see with the naked eye?

Dr Kennedy—Yes.

Senator LUNDY—You could see two pieces?

Dr Kennedy—Yes, indeed. I was joined by two of our staff—a maintenance officer and a fitter.

Senator LUNDY—Was the airconditioning off at that stage?

Dr Kennedy—The fitter informed me that he had turned it off.

Senator LUNDY—I am sure you would be aware that the actual respirable fibres cannot be seen with the naked eye. You found some pieces on the floor, but what action did you initiate after that inspection?

Dr Kennedy—We instructed that there would be further tests and that the human resources section would be let know. Comcare was informed. The Comcare investigator came into the Gallery and decided that the area should be closed and that nobody enter it until everybody was reassured. If that is what it takes, then it is their decision.

Senator LUNDY—I am not asking you to reflect on their decision. At any stage prior to Comcare arriving or, indeed, afterwards, was the airconditioning turned back on?

Dr Kennedy—The whole idea over the weekend was to have the airconditioning on and to find out whether it was actually putting any fibres into the air. Before each day, that would be inspected, and then we would be able to open to the public. In the other areas which had not been inspected, the airconditioning was turned on, as it was again in the Asian galleries. But that will be subject to review with Comcare, and the chronology—exactly who did what and whether they had authority to do that—will be examined by Comcare.

Senator LUNDY—I am a little confused. The airconditioning was on over the weekend?

Dr Kennedy—Yes.

Senator LUNDY—And every morning you do an inspection?

Dr Kennedy—Not just every morning but throughout the day—I think you were provided with samples—and on Saturday and Sunday.

Senator LUNDY—I am not trying to put words in your mouth; I am just trying to clarify. So you would monitor the situation right through the weekend when, presumably, those galleries were open to visitors and staff?

Dr Kennedy—As I said, we have provided you with the documents, which run from Wednesday through Sunday, that show the monitoring that took place in those galleries.

Senator LUNDY—Thank you for that. I have not had a chance to look at it, but there are none that show respirable synthetic mineral fibres in the air?

Dr Kennedy—Correct.

Senator LUNDY—On the Monday morning, you found the presence of visible synthetic mineral fibre. Were there airborne monitoring tests by Robson Laboratories overnight or in the morning through that period?

Dr Kennedy—There had been through Saturday and Sunday—during the day.

Senator LUNDY—But not Monday?

Dr Kennedy—There would have been again on Monday. That was the idea, but they were closed.

Senator LUNDY—They would come back at 9 o'clock or something?

Dr Kennedy—Yes.

Senator LUNDY—You found the fibre. You were informed that the airconditioning was turned off. Comcare was called. Was that by you? Who called Comcare?

Dr Kennedy—As I have said, the human resources department contacted Comcare.

Senator LUNDY—At any point from then was the airconditioning turned back on?

Dr Kennedy—My understanding, subsequently, was that it was. Yes.

Senator LUNDY—Was that on your direction?

Dr Kennedy—I did say that, given that it had been turned off, it would be appropriate to have it on and find out what was on the floor. I did say that that was not an instruction but that is what we will have to do. As I said, our human resources department were consulted to get in touch with Comcare, and Comcare took a decision.

Senator LUNDY—And that was the order of events? You asked that the airconditioning be turned back on and it was at that point that the human resources turned it back on.

Dr Kennedy—I asked who had turned it off. Our fitter had turned it off. He had done so, as I found out unilaterally.

Senator LUNDY—And you thought that was inappropriate?

Dr Kennedy—I thought that the situation should be the same until we investigated the matter. It is far from a desirable outcome to be turning airconditioning on and off in a gallery. Comcare took their decision.

Senator LUNDY—Did Comcare turn it off again?

Dr Kennedy—We turned it off again, yes.

Senator LUNDY—Under Comcare's direction?

Dr Kennedy—I would have to check on that direction. I would have to take that on notice.

Senator LUNDY—We have been through this before, but you have invested a lot of money in the airconditioning at the Gallery, haven't you?

Dr Kennedy—A lot of public money has gone into the airconditioning system at the Gallery and we will continue to do so until it is resolved, which is the renewal of a 20-year-old system in a building which probably, in Canberra, is one of the most humidity and temperature restrictive.

Senator LUNDY—I think we are all aware of the complexities of it. The issue here is getting to a sense of how much money has been spent on it and whether you have any concerns about the quality of that work, whether you are exploring any issues with that new plant or whether the new plant was involved in this incident—just a general reflection.

Dr Kennedy—In my earlier response, I hope that I have covered that by the investigation that we will have of what we have done to date and the implications that may arise from that.

Senator LUNDY—In terms of the testing of the fibreglass residue found, were there found to be a respirable size of fibre in the fibreglass dust that was cleaned up? Did you do any tests—not on airborne fibre; I know you did those—but on the actual fibre dust that was found in the Gallery?

Dr Kennedy—I think it is better to take on notice issues of a technical import like that one.

Senator LUNDY—Minister, I know that, at least for the period you have been minister for the arts, that this is an ongoing concern. Dr Kennedy has said that there has been significant expenditure on the Gallery's airconditioning. Do you think there is a place for further investment to rectify the airconditioning there, given the ongoing problems?

Senator Kemp—I would always take advice on that issue. It is of a technical nature. Without having received advice from appropriate technical experts, I would not wish to make

a comment. But the general principle clearly stands that the airconditioning has got to work well in the Gallery.

Senator LUNDY—Yes. Correct me if I am wrong, Dr Kennedy, but this is the first time I can remember that public galleries have been shut down for any significant period of time as a result of the issues. Is that correct?

Dr Kennedy—It is the first time we have had an order from Comcare. That is what I referred to earlier, that it becomes very important to take whatever action is necessary to guarantee public confidence and staff confidence in the building.

Senator LUNDY—Minister, do you think there is an opportunity here for you to involve yourself more deeply, given the problems facing the Gallery, to help them retain that public confidence?

Senator Kemp—I think public confidence is very important. Clearly, major issues which affect any of the cultural institutions I would expect to be fully briefed on. I would expect to be informed of what action is proposed to be taken. I would expect to be fully briefed on this matter and any other matter which is of major importance to our cultural institutions.

Senator LUNDY—The coalition has consistently defended gallery management and Dr Kennedy's role there. Given there are ongoing problems, and continuing problems, are you still standing right beside management of the Gallery?

Senator Kemp—I am not standing right beside them; I am sitting beside them and I am very happy to be sitting beside Dr Brian Kennedy. We were happy to make that appointment. I know Dr Kennedy's appointment has not pleased all people, and that is the nature of events but the government very carefully considered its position before the appointment was made.

Senator LUNDY—Yes. The point has been made several times that the issues confronting the Gallery have far less to do with Dr Kennedy and far more to do with the management of the building, despite his concerns otherwise.

Senator Kemp—One can always make allegations, and this is a forum which is renowned for making allegations against people. It is all under privilege and, of course, we are all protected from doing that. We have a board, a council and management. As I said, if there are significant issues which the government should turn its attention to, I expect to be fully briefed on them.

Senator LUNDY—I presume the Gallery is part of your cultural institutions review?

Senator Kemp—It is part of the review.

Senator LUNDY—In the *Canberra Times* on that fateful day of Saturday, 18 January, and I think you were acting director at the time, Mr Froud, you were quoted as saying that you expected up to 10 staff to go by the end of the year. Is that correct?

Mr Froud—My remarks to the journalist that contacted me was that the Gallery had set some objectives regarding our staff management and, yes, we were looking at reducing staff numbers over time for a number of reasons.

Senator LUNDY—Were you referring to the 2002-03 financial year or 2003 calendar year in that report?

Mr Froud—Are you talking about the media report?

Senator LUNDY—Yes.

Mr Froud—Our objectives related to the 2002-03 financial year but, of course, at times things take longer than you think.

Senator LUNDY—I cannot help but link it to the inference made by Dr Kennedy earlier about perhaps moving to contractors where direct public servants are currently employed. Is that part of what you were referring to, or part of that issue of staff changes that you referred to in the article?

Mr Froud—We certainly would not rule anything in or anything out. The process that I was referring to was something that had commenced earlier in 2002. It involved a consultative process where staff unions that represent staff had been advised and apprised of the changes that we would need to make and the reasons behind them.

We had identified in late November a number of positions that we thought we would like to look very closely at and perhaps operate differently going forward. However, that was for the purpose of provoking some consideration in getting some debate about those issues. We asked the staff in those areas and staff generally and unions to make comments about our plans—quite deliberately wanting to do it in that very open and transparent way. We made a point of saying that we would return to the issue again after we had gathered that feedback. That was expected to be towards the end of January. That is actually where we are at now with that same matter—it has not progressed any further at this stage. We have not taken any decisions at this point.

Senator LUNDY—I would like to go back to your earlier comment, Dr Kennedy, where I certainly interpreted your comments as saying that you would be seriously considering removing direct public servant employees and replacing them with contractors as part of your effort to resolve difficulties. Is that what you were implying and do you think that is an appropriate response?

Dr Kennedy—That is what you took from my comments.

Senator LUNDY—Yes. This is your opportunity to clarify.

Dr Kennedy—Yes, indeed, and I am happy to take it. I was stating that, given the situation with our airconditioning system and that we are here again talking about it, I must consider what other options there might be for the management of it, and I will be exploring that. That is all I said. I think that the overall position for the Gallery that you referred to with Mr Froud is tight. We are, for many reasons that I think everybody is aware of, facing a tight budgetary situation. The Gallery, consistent with its obligations to remain competitive among cultural institutions with pay rises and appropriate conditions as part of the last agency bargaining agreement, had to look at its total number of staff, and we have done that. As Mr Froud has said, that has been a signal to the staff, very strongly. We have a number of other factors which have also influenced our finances and I think you may hear from others that tourism is down.

Senator LUNDY—I was going to ask you about that.

Dr Kennedy—Obviously, the community has suffered and I thought maybe I would cover it in a statement. And our insurance premiums have gone up very considerably. The cost of transport is going up and that affects our exhibitions. Things are very tight financially.

Senator LUNDY—That leads nicely into the next question I was going to ask Mr Froud. He was quoted in the same article that you were looking to pay the staff more appropriately because you thought perhaps their salaries were behind those paid in other cultural institutions. Am I correctly interpreting your comments in that regard?

Mr Froud—Yes. But that was a remark made in the context of the current certified agreement. We had taken a decision in 2001 with that certified agreement that certainly had implications in terms of paying our staff more appropriately. And, as a consequence of that, we then had to look at how many staff we could afford.

Senator LUNDY—Do you see yourself in competition with other institutions in terms of retaining appropriately qualified staff?

Mr Froud—In some areas clearly we do. There is a pool of talent that we share and there is movement, of course, between institutions, not only in national institutions here in Canberra but also throughout the country.

Senator LUNDY—Again, quoting you from the report, it says:

... trade based and in-house construction staff would be affected by those changes or reports thereof had some truth.

Mr Froud—That had actually been put to me that, amongst the positions that we had identified where we were looking to investigate the possibility of change, they had included the trade based staff. It was put to me, ‘Was that true?’ I agreed that that was true—that they were amongst the groups of staff we were looking at. But I also made the point that we were actually looking quite broadly. We were looking at all areas to identify, with our future strategic requirements, what were the appropriate arrangements to put in place to go forward.

Senator LUNDY—Has anyone been retrenched at this stage?

Mr Froud—No. I think I mentioned earlier that we have not taken any decisions at this stage.

Senator LUNDY—Notwithstanding the conversation earlier about how I interpreted Dr Kennedy’s comments, have you taken any steps to consult, or to engage or request tenders for alternative providers of services, for example, to manage the airconditioning functions or to provide maintenance duties?

Mr Froud—No, not at this stage.

Senator LUNDY—Is there any connection between your current consideration of staff levels, perhaps retrenchments, and the national cultural institutions review?

Mr Froud—No. The review of the staff numbers at the National Gallery is an issue originated by the Gallery itself—looking at our own financial circumstances, at our prospects and future strategic requirements and trying to bring them all into balance.

Senator LUNDY—Has the Gallery made a submission to that review?

Mr Froud—The questions regarding the review are probably best directed to the department. Certainly the Gallery has cooperated fully with the review, as have all agencies, as I understand.

Senator LUNDY—Much to the minister’s concern, I will ask you the formal question to provide the committee with any submissions, correspondence or documentation in relation to the review.

Mr Froud—Sorry, could you repeat the question?

Senator LUNDY—Can the Gallery provide any documentation, correspondence or submissions to the committee in relation to the national cultural institutions review?

Senator Kemp—Again, that really is a matter for government. We have consulted extensively, I understand, with all the major institutions.

Senator LUNDY—Have you got those terms of reference yet, Minister?

Senator Kemp—I have got them but you have not got them. I have already answered that question.

Senator LUNDY—You leave the rest of parliament out in the cold all the time.

Senator Kemp—I have already answered that question. In fact, I have given you a chance that you could—

Senator LUNDY—I thought you might reconsider during your time out.

Senator Kemp—No, I gave you some advice—

Senator LUNDY—I thought that is why you needed the time out—to go and have another think about it.

Senator Kemp—If you want to appeal to my colleagues, you could see if I could be outvoted on it. But I am pretty confident that they will support me.

Senator LUNDY—Is there any indication at this stage in relation to the Comcare investigation when the Gallery will once again be open to the public?

Dr Kennedy—No. But I have not yet spoken to them and I knew you would have the opportunity of this forum tomorrow to ask questions of the CEO of Comcare. Obviously, I would like to talk with him, too. As soon as possible, obviously, is my agenda, provided it is safe in their opinion.

Senator LUNDY—Could I ask you in advance of the receipt of that report that it be forwarded to this committee?

Dr Kennedy—I really think that is a question for Comcare. Comcare is conducting the report. It is not our report and I will see it when they give it to me.

Senator LUNDY—I do not want to accept that on face value. I actually think if it is a report provided to the Gallery, the Gallery should be able to forward it to this committee. I think, from memory, other Comcare reports have come to this committee through the Gallery. So if we could leave my question on notice, then I will be happy to pursue it with Comcare as well.

Dr Kennedy—Certainly. I am not against providing the report.

Senator LUNDY—I know that is not your intention.

Dr Kennedy—I just think it is a matter for Comcare.

Senator LUNDY—I appreciate that, Dr Kennedy. Thank you, that is all I have.

CHAIR—As there are no more questions for the National Gallery, I thank you both for appearing today.

[11.24 a.m.]

National Library of Australia

Senator LUNDY—I would like to cite again the same fateful Saturday *Canberra Times*. Ms Fullerton, I think you are quoted as saying that some job losses are to be expected this year. Is that report correct? Can you shed some light on it and give some more facts in relation to that report?

Ms Fullerton—Yes, there are pressures on our salary budget and we have in train a plan to reduce our numbers in order to go into the new financial year at the level we need to be at.

That is being done through a process of natural attrition and some voluntary redundancies. We have offered 11 voluntary redundancies.

Senator LUNDY—How many positions are being lost through natural attrition?

Ms Fullerton—My colleague might speak more about them.

Mr Linehan—I do not have that information directly available. This year we will probably finish at an average ASL of about 458. It has moved down from last year, when I think we finished at around 500.

Senator LUNDY—That is a significant number of staff.

Mr Linehan—I think that when we spoke at the last estimates hearings the figures in the budget statements showed that we expected to go down to about 480 but, because of some unforeseen pressures, we are moving down to a lower level this year and we expect to probably move down to a lower level again next year.

Senator LUNDY—Do you have any forecasts for that lower level again in the next financial year?

Mr Linehan—There are still a number of unknown factors, but at this stage we would expect to be around the 440 mark or below.

Senator LUNDY—Is one of those unknown factors the national cultural institutions review?

Ms Fullerton—There are many unknown factors relating to the next year's budget and that is one of them.

Senator LUNDY—Minister, what do you have to say about the potential shedding in the next financial year of up to 60 jobs over an 18-month period under your stewardship as the minister for the arts?

Senator Kemp—The staffing issues are matters for the Library. They organise the staffing and they will advise me if any particular problems are emerging.

Senator LUNDY—You mentioned in this year's allocation that there were pressures on the salary budget anyway. I cannot recall the inquiries made at budget estimates time, but was there a reduction in the budget for salaries leading into this current financial year?

Ms Fullerton—We have been gradually readjusting our staffing to match the kinds of work the Library does. The nature of our work is changing over time. We are doing far more work online than we used to. The demands of our readers are changing and their expectations are changing, so some of the reduction is in response to that. In previous years we have applied some one-off funding to special projects which required staffing, so that is also an element in the reduction.

Senator LUNDY—So some of that 60-odd—or certainly 42 in this financial year—can be attributed to special projects that are not continuing, or are they separate again?

Mr Linehan—At the last hearings in response to a question we did indicate that there were a number of one-off projects, such as the anniversary celebrations, that had an impact. Looking at priorities across the organisation there were a number of other projects—for instance, trying to clear some backlogs that had been around for a number of years—that we had to put resources into, but for various other reasons we have decided not to embark on that type of work as much this financial year.

Senator LUNDY—So that tightening up of the salary budget means that you cannot do special projects in the way you have previously?

Ms Fullerton—It means that we have to very carefully assess where we do apply our staff.

Senator LUNDY—What other effects will the staff reductions have on the Library's operations?

Ms Fullerton—We are intending that they do not have a major impact on services or collecting. We are adjusting staffing within the Library, tightening up and achieving some efficiency gains.

Senator LUNDY—Given the phenomenal success of the *Treasures* exhibition, is it those types of exhibitions that will not be able to occur in the future as a result of this tightening up?

Ms Fullerton—No. We have a very active exhibition program into the future. I think it is a matter of balance and of ensuring that we apply our resources to a range of activities.

Senator LUNDY—What is the National Library's involvement with the national cultural institutions review? Have you made a submission?

Ms Fullerton—We have responded to requests for information.

Senator LUNDY—I do not think I will bother asking you for copies, given the minister's response last time.

Senator Kemp—I think you are very wise, Senator. You are a very fast learner.

Senator LUNDY—I had the privilege to have a briefing by Library staff not so long ago and I was incredibly impressed, particularly with the online initiatives: PANDORA, the archiving initiative; and the AskNow! service, which I know is in pilot phase. I want to give you an opportunity to speak briefly to that project here, and then we will move on to the National Museum.

Ms Fullerton—AskNow! is a very innovative, cooperative project, initiated jointly by the National Library and the state libraries in Australia. It enables people anywhere in Australia to log on to the Internet and have an interactive discussion with a librarian. Those librarians could be from any state library in Australia. The use has increased phenomenally since the project was launched. There is over 40 per cent of use coming from the regional areas, which I think is an opportunity for us to achieve our mandate more successfully than ever before. The positive response from our users is most satisfying.

Senator LUNDY—Thank you for that. I am very conscious of the time. That is all I have. I can only commend the efforts you have made in relation to a whole series of new technologies.

CHAIR—I thank the Library. I welcome officers from the National Museum and invite Senator Lundy to begin the questions.

[11.24 a.m.]

National Museum of Australia

Senator LUNDY—I will be consistent in my theme this morning and ask about anticipated job losses at the Museum. Are any job losses anticipated? If so, how many and in what areas?

Ms Casey—No, we do not have any planned job losses in terms of overall planning for what we are doing in future programs for the Museum.

Senator LUNDY—So you have not started to discuss with unions or staff voluntary redundancies or potential changes to the organisation?

Ms Casey—No.

Senator LUNDY—How many staff over the past 12 months have been seconded to other institutions or elsewhere outside the Museum?

Ms Casey—As far as I can recall, there are two who have been outside the Museum, but we would give you more detail on notice. There is one that I can recall working at the Australian War Memorial and one working at the ANU.

Senator LUNDY—What level are those staff at?

Ms Casey—The person working at the War Memorial would be equivalent to about an ASO5, but we would need to check that, and the person working at the ANU would be equivalent to a senior executive.

Senator LUNDY—Were those positions replaced at the Museum?

Ms Casey—Yes.

Senator LUNDY—Who pays the salaries and other conditions and benefits, if you like, of seconded staff?

Ms Casey—The War Memorial funds the person who is over there because it is a position with them, and we are paying part of the salary of the person who is at the ANU—I cannot remember exactly from what date. It is part of a program where we are looking at development of museum studies and postgraduate degrees.

Senator LUNDY—Could you provide me with full details of that arrangement?

Ms Casey—Yes. There could be a couple of others, but not that I am aware.

Senator LUNDY—Could you take it on notice to have a look so I can get a comprehensive response to that.

Ms Casey—Yes.

Senator LUNDY—Ms Casey, I note from various media reports that your contract will be coming to an end. When is that scheduled?

Ms Casey—I think that will be about 14 December.

Senator LUNDY—This year?

Ms Casey—This year.

Senator FAULKNER—That had been renewed for a period of one year, as I understood from the media.

Senator Kemp—That is correct.

Senator FAULKNER—Senator Kemp, that is your decision, is it?

Senator Kemp—That decision is made by the Governor-General in Council.

Senator FAULKNER—And that is done on your recommendation?

Senator Kemp—That is right.

Senator FAULKNER—Are you able to indicate to the committee what the length of contract is for chief executives of other equivalent institutions that come within your area of ministerial responsibility?

Senator Kemp—They vary from institution to institution. We can provide that information for you.

Senator FAULKNER—But you would know what they are, wouldn't you?

Senator Kemp—I do not know whether I would know them all offhand. I might take that on notice, because I know you like accuracy.

Senator FAULKNER—I do like accuracy.

Senator Kemp—So I will take that on notice, John.

Senator FAULKNER—Have you renewed any other of your chief executives for a one-year contracted period?

Senator Kemp—I have been in this portfolio for just over a year. Of course, a number of chief executive contracts have come up. I think this is the first that has been renewed for a year.

Senator FAULKNER—Perhaps Ms Williams could help us, because she is very expert, of course, not only in relation to this portfolio but more broadly in relation to the Public Service. Would you be able to briefly indicate the contract periods of other equivalent executives, Ms Williams, as Senator Kemp cannot?

Ms Williams—I would know of only some of them. Some of them would come through the Public Service Commission and some would not, because they only deal with APS staff. In my knowledge, they have been renewed for two, three and five years.

Senator FAULKNER—But I am dealing with the ones within your own portfolio area of responsibility.

Ms Williams—I have only been within this portfolio area of responsibility for the same length of time as the minister.

Senator FAULKNER—So you are saying to me—

Senator Kemp—Just hold on; I am going to respond. We are not resisting this information; we just want to make sure that we give you accurate information. You understand that.

Senator FAULKNER—I am a little surprised that neither the minister nor the departmental secretary are able to say what the contractual arrangements are with other chief executives in this portfolio. I am not necessarily surprised that you do not know, Senator Kemp, but I thought Ms Williams might be able to help us.

Senator Kemp—It does not surprise us at all that you would be offensive, but we are going to provide you with the information, so I would not worry.

Senator FAULKNER—So you are not able to assist me with that, Ms Williams?

Ms Williams—I have only been here a year and only a few have been reappointed in that time.

Senator FAULKNER—Are you able to tell me what the length of contract is in relation to those that have been reappointed, please?

Ms Williams—I am not sure whether all of that is on public notice. Could I please take that on notice? I am actually struggling, to be honest with you, to think which ones have been reappointed or appointed while I have been here.

Senator FAULKNER—Senator Kemp has been able to assure us that only one has been reappointed for a period of one year; this is in Ms Casey's case.

Ms Williams—I could confirm that, from my knowledge.

Senator FAULKNER—You can confirm that?

Ms Williams—Yes.

Senator FAULKNER—If you can confirm that, it seems to me that you must have some knowledge of what the other periods are.

Senator Kemp—That does not automatically follow. I am thinking in relation to one whether it was renewed for four or five years. That does not actually follow.

Senator FAULKNER—You are able to confirm at the table that Ms Casey has been appointed for a one-year period.

Senator Kemp—That is right; we have done that.

Senator FAULKNER—You are able to confirm that she is the only person in this portfolio to have been appointed for that length of contract, but no-one can confirm what the arrangements in terms of length of contract might be with other chief executives.

Senator Kemp—I have just received from one of my advisers some further information that might assist you. There was a further person, I believe, whose contract was extended for one year: Katrina Hughes of the Film Finance Corporation.

Senator FAULKNER—When did that occur?

Senator Kemp—Just over a year ago.

Senator FAULKNER—Are you withdrawing the evidence that you gave to the committee a minute ago?

Senator Kemp—I have now sought further information and—

Senator FAULKNER—You are clarifying the evidence.

Senator Kemp—You have been wanting information; I gave you the information and then it apparently caused you some offence.

Senator FAULKNER—It causes me no offence. You made the point yourself that you want to give accurate information, and it now appears that the information you gave was not accurate. Anyway, thank you for correcting the record. Perhaps Senator Lundy can go back to her questions.

Senator LUNDY—I did want to ask about the review of the Museum's exhibits. The government has been pretty quiet about the purpose of this review, so perhaps you could inform me of its progress.

Senator Kemp—I do not think we have been quiet about the purpose of the review. The review has received a lot of coverage in the newspapers. The review is proceeding, as far as I am aware.

Senator FAULKNER—In the last two years, how many reviews have been conducted at the National Museum, and who conducted them?

Ms Casey—A review into information and communication technology was done at the end of 2000-01. That involved people external to the Museum—experts in the field nationally—and staff as well.

Senator FAULKNER—Is there a name of that consultancy?

Ms Casey—It was not a consultancy; it was an overall review with a committee. I can provide information of who was on the panel. We initiated the review because we wanted to look at long-term strategic directions that we should take with our communications.

Senator FAULKNER—Thanks for that; that would be helpful. Were those panel members officials of the Commonwealth, effectively?

Ms Casey—Some were external to the Commonwealth. It was a mix of external people and internal people. We had a significant review, which was not really an official pricing review, into the total cost of all the operations of the Museum. On that panel were people from the department of communication and the arts, people from Treasury and people from finance, and our people included one or two board members. So that effectively fed into the budget for this financial year. That was a major review. We have done some smaller reviews internally in the organisation in terms of looking at our front of house, our operations. We did reviews in an ongoing sense throughout the development of all the exhibitions—we brought in a range of people across a broad spectrum of disciplines, including external people. In terms of exhibition content, we also did a review of all the text that we develop for the Museum.

Senator FAULKNER—Who conducted the review of the exhibition content?

Ms Casey—There were a number of reviews that we did throughout that. First of all, we had input and contributions from a range of academics saying what we should cover in the Museum, and then each of the curatorial areas went into their own specialised areas and invited people who were experts in their particular area to review the content. We then had a group of four overarching experts to look at the content in totality. People such as Geoffrey Bolton, Graeme Davison, Dr Kay Saunders and Professor John Mulvaney looked at that. Then we had a range of people who also looked at—

Senator FAULKNER—Just before you move on, is that the review that got some publicity that was conducted by Professor Davison, or is that a separate review?

Ms Casey—That was a separate review.

Senator FAULKNER—It was described publicly as a review into exhibition labels and that sort of thing.

Ms Casey—That was a separate review. There were comments on the text that we were going to put throughout the Museum. Our chairman consulted Professor Geoffrey Blainey, who recommended Graeme Davison, and he did a review of the text in the Museum.

Senator FAULKNER—And what else have we got? There is the recent review that Senator Lundy has referred to. I think Dr Carroll is involved in that—I am not entirely sure whether ‘review’ is the correct word to use. But that also has been described publicly as a review.

Ms Casey—Yes, it is a review of all of our content, including exhibitions and public programs—the existing ones. It is looking at recommendations about the directions we should take those programs in future.

Senator FAULKNER—And that is being conducted by Dr Carroll?

Ms Casey—Yes.

Senator FAULKNER—So what you have described as an overarching review on exhibition content—this is the Davison, Bolton, Mulvaney, Saunders review—has that reported?

Ms Casey—They provided advice on the final concept of the permanent exhibitions that were going in before opening. They reported verbally and they advised along the way, as an overarching group that had a wide range of history background as opposed to the specialist areas that dealt with the individual exhibition spaces.

Senator FAULKNER—So its works have been completed then? Is that fair to say?

Ms Casey—Yes. It was when they were being completed, at the time.

Senator FAULKNER—In relation to the other two reviews, has the review that Professor Davison was conducting into the text been completed?

Ms Casey—Yes, that was completed prior to opening. It was about the text that was about to be installed in the Museum prior to opening.

Senator FAULKNER—Was that a written report from Professor Davison?

Ms Casey—Yes.

Senator FAULKNER—Has that been made public?

Ms Casey—I think it has been made public under an FOI request some time ago.

Senator FAULKNER—I accept that, Ms Casey. I suppose it is one way of making something public, as opposed to being more proactive and the way that leads to greater transparency, which is for it to be provided by the Commonwealth. It may have been made public by FOI, but I suppose my question goes to whether it has been made public by the Museum or by government.

Ms Casey—Not that I am aware of, but I can check that. It was a couple of pages. It is not a fully-fledged report as such.

Senator FAULKNER—Do you see any reason why, particularly if it is a matter that has been FOI'd—which I put in a very different categorisation myself; I am sure others at the table would agree—it could not be made public?

Ms Casey—Only insofar as it was based on a board member's comments. So the question is whether that is appropriate, given that boards should be able to discuss and raise issues without everything that they say being made public.

Senator FAULKNER—But this must have gone to an FOI officer who decided to make it public. Is that right, Ms Williams? Are you able to help us there?

Ms Williams—That would be the normal process.

Senator FAULKNER—Yes. Obviously in this case, if this report has been FOI'd, privacy concerns were not seen to be strong enough to stop it being provided in response to an FOI request.

Ms Williams—That would be the normal process, but I do not know the details of this particular issue.

Senator FAULKNER—So an independent FOI officer has made an assessment about privacy issues involved. That would be right, wouldn't it?

Ms Williams—Yes.

Senator FAULKNER—Given that we have been able to deal with that issue—or at least someone has dealt with that issue; that is, the FOI officer in either the Museum or the department—my question then is: could Professor Davison's report be made public by the Museum as opposed to as in response to an FOI request?

Senator Kemp—We are just seeking some expert advice here.

Senator FAULKNER—Thank you.

Ms Williams—I think your question went to who would actually do that assessment; is that right? Whether it was the department or—

Senator FAULKNER—No. I asked whether the Davison report had been made public, and Ms Casey gave a qualified answer—I am not critical of that; it was properly qualified—and said, ‘In a sense it has because it has been made available under FOI.’ That is conceptually different from what I had intended in my question. There are different issues of transparency involved, as you would appreciate. But given that an FOI officer has looked at this issue in relation to any privacy concerns, which is what I was talking with Ms Casey about, I wonder whether I am failing to understand whether there would be any impediment for the report to be made public by the Museum or the department.

Ms Williams—If it has been released under FOI, it virtually is public. I think that is what Ms Casey was saying.

Senator FAULKNER—That is the point. But it has been released under FOI to whoever made the application as opposed to being released more broadly. I think that there is a public interest in this being made available. I also think there is a transparency issue: it is one thing for whoever—I have no idea who it is—made the application under FOI to have the benefit of Professor Davison’s report; it is another thing for senators around the table and members of the general public to have it. I wonder whether that report could be tabled at this committee. What I am saying is: I think it should be provided anyway but certainly in the light of it having been made available under FOI, could that report please be tabled at this committee?

Ms Williams—I am struggling a little bit here because, as I said, I am too new to know what the Davison report is about. But I think that is a matter for the Museum in terms of whether it wants to make a particular point of that.

Senator FAULKNER—So I am asking Ms Casey now: could that report please be tabled at the committee?

Ms Casey—I am not trying to be difficult; I would just like to obtain some advice as to whether or not comments by individual board members can be released. My general comment would be: does that inhibit discussions around a board table? Look, I do not have any difficulty with providing the Senate with a copy of Professor Davison’s comments, as long as I can first check how that relates to the operations of a museum board or council.

Senator Kemp—I think it is best that we take this on notice. People are aware of your interest in this matter, Senator Faulkner. We want to make sure that, before we give an answer, we have checked with the relevant people. I think that is a very appropriate way to proceed.

Senator FAULKNER—Ms Casey, given this request has been made, if you need to check the issue that you mentioned could I ask that be done quickly? If you perceive no impediment, could that be provided as soon as possible? I would ask if the National Museum could, in fact, act on that request urgently. As you appreciate, some answers to questions on notice are dealt with over a longer period of time. In this instance, there is a very strong case that the matter be dealt with as expeditiously as possible.

Ms Casey—Yes.

Senator Kemp—We have noted your views on this, and we will see what can be done.

Senator FAULKNER—I did also note that Professor Davison is directly quoted. Ms Casey, is it true that Professor Davison's report was commissioned as a result of complaints from a board member of the National Museum?

Ms Casey—Yes, that is correct.

Senator FAULKNER—Is it true that the chairman of the Museum, Mr Staley, responded to this critique from board member, Mr David Barnett, by seeking the advice of Professor Geoffrey Blainey about what might be done in this instance? Is that true?

Ms Casey—Yes. In fact, he asked whether or not—

Senator FAULKNER—And you have indicated to us that Professor Blainey's recommendation was that Professor Davison review Mr Barnett's criticisms. Is that correct?

Ms Casey—That is correct.

Senator FAULKNER—It was reported in one newspaper that Professor Davison headed a panel of historians to review Mr Barnett's criticisms. I would like to clarify whether that is, in fact, true, or whether the panel that you have given evidence on a little earlier today was dealing with a different issue and, effectively, Professor Davison carried out this task independently of that panel. Could you indicate to me whether this was effectively Professor Davison doing the report, or was he joined by others and he chaired a panel or group that undertook it?

Ms Casey—There was the panel I mentioned earlier which included Graeme Davison. There was no chair of that panel. They were reviewing the content overall. Professor Davison was asked separately then to review in more detail the detailed text that was going in, and that was separate.

Senator FAULKNER—I do understand the distinction, but I want to be clear about it. Professor Davison's report on Mr Barnett's criticisms was a report that he conducted?

Ms Casey—Yes.

Senator FAULKNER—There was no input from others?

Ms Casey—Not on that.

Senator FAULKNER—And this was restricted to the text in relation to the exhibitions?

Ms Casey—That is correct.

Senator FAULKNER—Is it true, as quoted in the *Sydney Morning Herald* and the *Age* newspapers in mid-January that Professor Davison wrote:

After carefully reviewing them, I found that almost none of his—

That is, Mr Barnett's—

criticisms could be supported by reputable scholarship.

Were those words contained in Professor Davison's report?

Ms Casey—As far as I can recall, that is correct.

Senator FAULKNER—Did Professor Davison's report go to the board?

Ms Casey—No, I cannot recall it going to the board as a whole. It certainly went to the chairman, who actually approached Professor Davison, but the issues were raised in the board.

Senator FAULKNER—I appreciate that. Mr Staley tasked Professor Davison; I think you have indicated that to us. The report went from Professor Davison back to Mr Staley. Is that how it worked?

Ms Casey—Yes, that is correct.

Senator FAULKNER—Did it go anywhere else? I appreciate that it has gone into the newspapers courtesy of an FOI request, but I do not mean that. I wonder whether administratively there was any other—

Ms Casey—I cannot be certain—I would need to go back to check our records—of whether or not it was actually tabled at a board meeting, but apart from that it did not go anywhere else that I am aware of.

Senator FAULKNER—Was it discussed at the board meeting?

Ms Casey—It was discussed at board meetings, because at the Museum we did correct about four of the areas that Graeme Davison did pick up.

Senator FAULKNER—So, effectively, the report did end up before the board. Whether it was placed there by Mr Staley, or however it got there, it was there.

Ms Casey—I seem to recall it being discussed amongst a whole lot of other things, but I would need to check that. It was some time ago.

Senator FAULKNER—Minister, did you receive a copy of that report from the chairman?

Senator Kemp—As far as I am aware, I have not received a copy of the report.

Senator FAULKNER—Or anyone else?

Senator Kemp—I cannot speak for anyone else. I just speak for myself.

Senator FAULKNER—No. Do not misunderstand my question. My question was: did you receive a copy of the report from the chairman or anyone else?

Senator Kemp—No.

Senator FAULKNER—Thank you. When was that report completed?

Ms Casey—It would have been about October-November 2000.

Senator FAULKNER—Yes. As a result of that report, the text of four exhibits changed in the Museum. Is that the outcome?

Ms Casey—It was before we had actually done the installation. We said a ‘tin roof’ instead of ‘corrugated iron’; there were those sorts of small, minor changes.

Senator FAULKNER—So there were minor text changes before the Museum opened?

Ms Casey—Yes.

Senator FAULKNER—Was Professor Davison paid for the provision of that report?

Ms Casey—Not that I can recall. I would need to check that.

Senator FAULKNER—Were the four panel members we spoke of—Davison, Bolton, Mulvaney and Saunders—paid for that role?

Ms Casey—I would need to check that, because we were using them on a regular basis and quite extensively. I think we thought in the end that we should pay. We certainly paid air fares, accommodation and travel allowance, but I do not know whether we paid all of them. We thought we were using them too much. I know there was some suggestion at some stage that

we pay them a small fee, but I would need to check the accuracy and exactly who we paid, if we paid them.

Senator FAULKNER—Where did the initiative come from with the next review, Dr Carroll's review? Does that have an appropriate title that we can use when we talk about that review?

Ms Casey—I think it is the review of—

Senator Kemp—Exhibitions and programs.

Ms Casey—The National Museum's exhibitions and public programs.

Senator FAULKNER—What is the background to that review commencing?

Ms Casey—As far as I can recall, it came up in about May after we opened. We were, at that stage, doing the information communication technology review. We knew we had to do an extensive review on the funding arrangements for the Museum, and there was some discussion about whether or not we should do a review of the content. We reviewed our front-of-house operations in terms of what sort of staff we would need on the floor. We knew there were some concerns about the signage, the way finding and the light levels in the Museum. There were obviously some issues that were raised about some parts of the exhibitions.

Senator FAULKNER—This occurred after May 2002?

Ms Casey—In 2001, when we opened.

Senator FAULKNER—Dr Carroll heads a four-person panel. Is that correct?

Ms Casey—Yes, that is correct.

Senator FAULKNER—When was that panel appointed?

Ms Casey—The council agreed on the panel on about 1 November 2002, at their last board meeting.

Senator FAULKNER—And the panel is?

Ms Casey—Mr Richard Longes; Associate Professor John Carroll, who chairs it; Dr Philip Jones, who is a senior curator at the South Australian Museum; and Professor Patricia Vickers-Rich.

Senator FAULKNER—Was the review panel appointed by the board?

Ms Casey—They endorsed the panel, they selected the panel, yes. The appointments—who actually physically appoints them—are different.

Senator FAULKNER—Did the board determine the membership of the panel?

Ms Casey—Yes.

Senator FAULKNER—How did the board go about seeking expressions of interest for the panel? Or did the board seek expressions of interest?

Ms Casey—No, they discussed a number of people and what sorts of expertise and skills people would require.

Senator FAULKNER—Discussed where?

Ms Casey—During the board meeting.

Senator FAULKNER—So these names came forward at the board meeting?

Ms Casey—As far as I can remember, the majority of them did come up at the board meeting; these names were discussed at the board meeting.

Senator FAULKNER—But I read an article in a newspaper suggesting that the minister had also made suggestions about the membership of the panel—that is true, isn't it?

Senator Kemp—I will speak for the minister.

Senator FAULKNER—You were not at the board meeting.

Senator Kemp—Mr Staley spoke to me about the board, about the review. He asked me whether I had any thoughts about any people who may be interested. I put forward a number of names of people that I thought would be interested. I think one of those who was actually appointed was John Carroll.

Senator FAULKNER—When did Mr Staley approach you about this?

Senator Kemp—I would have to check back.

Senator FAULKNER—Could you do that for us, please?

Senator Kemp—I will check. This is a while ago now. I do not keep notes of each of my conversations with people.

Senator FAULKNER—I assume that you would on something when the chairman—

Senator Kemp—No, if the chairman phones up or comes to see me and says that the council is thinking about a review and thinking about names, and if he asks me if I have any suggestions that could help the council's deliberations, then I make those comments.

Senator FAULKNER—I would be surprised if you did not keep a diary record of when the chairman of the National Museum of Australia came to see you.

Senator Kemp—I do not.

Senator FAULKNER—You do not keep a diary?

Senator Kemp—I do not keep a diary of all my conversations with people.

Senator FAULKNER—No, but if you have a meeting with the chairman of the National Museum of Australia, surely that would be recorded in your diary. It is very risky business for a minister not to do that.

Senator Kemp—If there is a formal meeting at which we are looking at government issues, of course there is an issue. But if he gives me a phone call and asks to drop by to see me, I would not always keep a record of those meetings.

Senator FAULKNER—Was this Mr Staley's initiative or was it yours?

Senator Kemp—The council under the act is required to consult with the minister on major developments and important developments. So it causes me no surprise that he would consult with me. I would be surprised if he did not consult with me, to be quite frank.

Senator FAULKNER—Thank you for that, but what I was asking was whether you initiated this or whether Mr Staley initiated it.

Senator Kemp—I see Tony Staley on a fairly regular basis. As to who initiated what, I would have to say I am not sure. If people wish to have names put forward and ask me for suggestions, I am always very happy to do it.

Senator FAULKNER—I think you have indicated that the act obligates the board to consult with the minister on certain matters. Do we know if the board was aware of Mr Staley's approach to the minister?

Ms Casey—Yes.

Senator FAULKNER—It is a bit hard to nail down the timing of this with you if you do not keep a diary, Senator Kemp. We will have to nail it down via Ms Casey.

Senator Kemp—I do not keep a diary of every conversation I have. That was the point I made about a diary. I think the *Hansard* record will show that that was the context of my conversation. As far as whether this was a matter discussed with the board, I was not at the board meeting. So perhaps Ms Casey would like to provide some advice.

Ms Casey—At a number of board meetings there was a discussion about the review. At the last board meeting, as far as I can recall, the chairman did say that he had raised it, quite properly, with the minister.

Senator FAULKNER—That he had raised it, quite properly, with the minister?

Ms Casey—As the minister said, boards of cultural institutions are required to raise any significant issues or acts that—

Senator FAULKNER—That is fine. My question was whether the board was aware that Mr Staley was raising the matter with the minister—or did Mr Staley report to the board that he had raised the matter with the minister?

Ms Casey—Yes, to both of those. In fact, the board was aware that Tony Staley would be talking to the minister about this.

Senator FAULKNER—So Mr Staley raised that with the board prior to talking to the minister?

Ms Casey—I think that is the case.

Senator FAULKNER—You think that is the case?

Ms Casey—Yes.

Senator FAULKNER—Could we check?

Ms Casey—Yes.

Senator FAULKNER—But Senator Kemp cannot tell us whether he raised it with Mr Staley or Mr Staley raised it with him. You had a discussion with Mr Staley as the chairman of the National Museum of Australia?

Senator Kemp—I have constant discussions with Mr Staley.

Senator FAULKNER—That is obvious.

Senator Kemp—I try to have constant discussions with a wide range of people involved with that institution. I am a busy minister.

Senator FAULKNER—In the past calendar year, how many conversations would you have had with the chairman of the advisory council of the Australian Archives?

Senator Kemp—The chairman of the advisory council, Jim Carlton? Again, I do not keep a diary of my conversations, but I speak with Jim from time to time on the phone. I have at least two meetings a year on governance issues.

Senator FAULKNER—I sit on that advisory council. I am really interested to hear the answer to the question. So you tell me how many.

Senator Kemp—My conversations with Mr Carlton are between me and Mr Carlton.

Senator FAULKNER—I am not suggesting they are not. What I am asking is how many.

Senator Kemp—They are not between you as a curious third party.

Senator FAULKNER—I am asking how many.

Senator Kemp—I cannot give you a figure, but I have had quite a number of conversations with Mr Carlton.

Senator FAULKNER—You cannot give me a figure?

Senator Kemp—No, I cannot give you a figure.

Senator FAULKNER—But you are in constant contact with Mr Staley?

Senator Kemp—Senator, I speak to Mr Staley, and I speak to other members of various advisory committees.

Senator FAULKNER—You suggested, did you, a number of names to Mr Staley in relation to—

Senator Kemp—I suggested a number of names to Mr Staley.

Senator FAULKNER—Did Mr Staley inform you that the National Museum was proposing to conduct such a review, or did you suggest to Mr Staley that the National Museum board should conduct such a review?

Senator Kemp—My understanding is, from the evidence that Ms Casey has given us, that the review was being considered as early as May 2001. So the review was being considered—and this confirms my advice—by the board. This was not initiated by me.

Senator FAULKNER—That is what I am asking.

Senator Kemp—That evidence has been given to you by Ms Casey.

Senator FAULKNER—It actually has not been, if you care to check the *Hansard* record. But I am merely asking for your view. You are a first party here, as you always want to say. You were not at the board meeting but you were present at discussions between you and Mr Staley, we assume, so you can tell us whether you raised the idea of having such a panel or review with Mr Staley or whether Mr Staley indicated to you that this was an initiative of the museum's board.

Senator Kemp—My conversations with Mr Staley are conversations that are private between Mr Staley and me, and you are not a third party at those conversations.

Senator FAULKNER—No.

Senator Kemp—That will remain to be the case. Let me just reiterate the facts as I understand them and, if there are officers at the table who have a different view, they should speak up. The idea of a review was discussed in May 2001.

Senator FAULKNER—By whom?

Senator Kemp—As I understand it, it was discussed at the council in May 2001. Is that right, that it was May 2001?

Ms Casey—Yes.

Senator Kemp—That is the basis of the review. As these matters are discussed at the council, and certainly as they are relevant to me, they are raised with me by the chairman of the council.

Senator FAULKNER—So you suggested a number of names to—

Senator Kemp—That is what I have just said.

Senator FAULKNER—Yes, I know that. Do you know how many names you suggested?

Senator Kemp—I would suspect I may have raised three or four.

Senator FAULKNER—Are you able to say how many of those three or four were in the end appointed to the panel?

Senator Kemp—As far as I can see, only one that I raised was appointed.

Senator FAULKNER—That is the chairman, is it?

Senator Kemp—That is John Carroll.

Senator FAULKNER—Why do you think he would be appropriate to do this job?

Senator Kemp—I think they are all good people. They all, from what I have seen of their CVs—and I have not met the other ones on the committee—seem to me to be people of some standing. Equally, that applies to John Carroll.

Senator FAULKNER—Did you recommend that Dr Carroll—

Senator Kemp—I thought Dr Carroll would be a good appointment to the committee and I thought he would be a good chair of the committee.

Senator FAULKNER—Did you suggest to Mr Staley that—

Senator Kemp—That is what I said: that he would be a good chair but that of course this was a matter for the council.

Senator FAULKNER—So you not only suggested that Dr Carroll be part of the panel but you in fact said to Mr Staley you thought he would be a good chair.

Senator Kemp—He would be a good chair. That is right.

Senator FAULKNER—So the fix went in at the ministerial level.

Senator Kemp—It is not a fix. You see, you assume that people act as Labor Party people do on this stuff. This is where I have had cause to differ with you. These are independent—

Senator FAULKNER—Obviously!

Senator Kemp—distinguished people. They are independent, distinguished people and they will act in that fashion. They will not act in a fashion as would happen with some of the appointments I suspect you might wish to make. They are independent people of some standing.

Senator FAULKNER—When were the terms of reference finalised for this particular panel?

Ms Casey—The council signed off on terms of reference at the last council meeting, which was around about 1 November.

Senator FAULKNER—Who drafted the terms of reference?

Ms Casey—There was a subcommittee of council together with a couple of staff who had input into the terms of reference.

Senator FAULKNER—They were drafted in-house at the National Museum?

Ms Casey—Yes, in the Museum.

Senator FAULKNER—Was the minister or the minister's office informed of the progress of the development of the terms of reference at all?

Ms Casey—Not at all; not during the process. They were forwarded by the chairman to the minister after the council—

Senator FAULKNER—After they had been determined by the board. Are they public?

Ms Casey—Yes, they can be made available.

Senator FAULKNER—Let us just go back a step. Are they current? Have they been made public?

Ms Casey—Not recently, no.

Senator FAULKNER—Have they ever been made public?

Ms Casey—No.

Senator FAULKNER—Can they please be made public?

Ms Casey—Yes, they can.

Senator FAULKNER—Could they be tabled at this Senate estimates committee?

Senator Kemp—Yes, they can be tabled.

Senator FAULKNER—Thank you. Are the members of this panel being paid for their services?

Ms Casey—Senator, I am not sure. The secretariat for this review is being carried out by the Department of Communications, Information Technology and the Arts.

Senator FAULKNER—Why is that, Ms Casey?

Ms Casey—Because it was agreed at council that they be provided by the Department of Communications, Information Technology and the Arts.

Senator FAULKNER—Can you give us some background on that issue please, Ms Williams?

Ms Williams—I understand that there is a sitting fee, Senator Faulkner.

Senator FAULKNER—You mean for the members of the panel?

Ms Williams—Yes.

Senator FAULKNER—What are the sitting fees?

Ms Williams—We will take that on notice; I have not got that information.

Senator FAULKNER—You do not know what the sitting fees are?

Ms Williams—No, but we will take it on notice and give it to you.

Senator FAULKNER—There is a secretariat for this panel being provided from departmental elements; is that right?

Ms Williams—Yes.

Senator FAULKNER—What resources are you providing for that, Ms Williams?

Ms Williams—Do you mean total financial resources?

Senator FAULKNER—Financial, staff and other resources.

Ms Williams—I might pass this question over to Ms Karen Gosling, who controls the secretariat.

Senator FAULKNER—Could I ask if those terms of reference could be provided as quickly as possible. I know that Senator Lundy needs to go to some other issues and I am very conscious of the time; I want to be as quick as we can.

Ms Gosling—The secretariat team is a team of four people. There is one manager at the executive level 2 and there are two people at the executive level 1 and then there is a junior admin person who I think is at the ASO4 level, although I would have to check that.

Senator FAULKNER—Does that include, effectively, a secretary to the review, the person that heads up this team?

Ms Gosling—Yes, that is right. The manager of that team.

Senator FAULKNER—What job description should I give it? I am calling it secretary of the review but—

Ms Gosling—I think manager of the secretariat is the title.

Senator FAULKNER—These are four full-time officials?

Ms Gosling—No, in fact, the manager is working three days a week and one of the executive level 1 officers is working three days a week.

Senator FAULKNER—How much of their efforts are involved in this review?

Ms Gosling—That is their only responsibility; it is a dedicated team in terms of assisting the panel with both organisational things in terms of organising meetings, the process of calling for public submissions, answering calls to the public about the review and undertaking any other sort of research or background work.

Senator FAULKNER—So we have got four people involved in the review—two for three days a week and two for five days a week; is that right?

Ms Gosling—Yes.

Senator FAULKNER—Are any other resources being thrown at it?

Ms Gosling—No, that is the dedicated team.

Senator FAULKNER—That seems extraordinary to me, Ms Williams. That is more than the Department of Prime Minister and Cabinet is putting into Iraq. That is four officers—four officials of the Commonwealth—in almost four full-time jobs. Admittedly, two are working for three days a week and two are working for five days a week. That is extraordinary resources going into a task like this, is not it?

Ms Williams—We have had to give this priority, Senator.

Senator FAULKNER—Why is that?

Ms Williams—Firstly, we thought it was important; secondly, we didn't want it to drag on. We thought it was important to finish this within, say, four or five months.

Senator FAULKNER—What is the time frame for this review, Ms Casey?

Ms Casey—The chairman talked about something like six months—June.

Senator FAULKNER—Has it started?

Ms Gosling—Yes, Senator, the panel had an initial meeting last week.

Senator FAULKNER—Where?

Ms Gosling—In Canberra.

Senator FAULKNER—Did you pay sitting fees for that?

Ms Gosling—Yes. I don't have the figures in front of me of what the rate is, but the panel members are entitled to sitting fees.

Senator FAULKNER—Yes, but no-one knows what they are?

Ms Gosling—I know that the chair's sitting rate is \$460 per day, but he is entitled to a different rate from the other members, and I don't have that figure.

Senator FAULKNER—What administrative actions has the department undertaken in support of the work of this panel?

Ms Gosling—In the first instance there was actually a range of calls from the public. There was a high number of calls from the general public in terms of wanting—

Senator FAULKNER—How many?

Ms Gosling—Sorry, again I would have to take that on notice; I don't have a figure.

Senator FAULKNER—What was the nature of them?

Ms Gosling—They were asking whether public submissions would be called for; whether that individual could put their views forward to the panel.

Senator FAULKNER—Will they?

Ms Gosling—Yes, there will be advertisements going in the press this weekend for public submissions.

Senator FAULKNER—And it is the panel that has determined the content of those advertisements?

Ms Gosling—Yes.

Senator FAULKNER—So what are you asking the public for?

Ms Gosling—Again, I don't have the text of the ad in front of me, but it is asking for public submissions in relation to the terms of reference that the panel is working to.

Senator FAULKNER—It outlines the terms of reference?

Ms Gosling—Yes.

Senator FAULKNER—When do submissions close?

Ms Gosling—My recollection is 7 March.

Senator FAULKNER—What is planned? Is the panel going to have hearings or look at submissions or what?

Ms Gosling—The panel had an initial meeting last week and, unfortunately, one member of the panel was not available. Mr Richard Longes is overseas at the moment. The panel are still, in some respects, deliberating in terms of the exact process. It is envisaged that they will consult widely, and they are starting to put together a list of individuals and peak organisations that they should be talking to.

Senator FAULKNER—What other work has the panel determined to undertake? Are there any other decisions that the panel has made at this stage?

Ms Gosling—Not really at this stage. Last week they spent a lot of time at the museum and also had presentations from the senior management at the museum in terms of the thinking behind the exhibitions.

Senator FAULKNER—Ms Williams, I find the amount of departmental resources that are going into this quite incredible. You would admit that it is quite substantial, I am sure.

Ms Williams—It is more substantial than we normally would put into this kind of thing, because we did think it was important to do it properly. We have had to actually put it in front of some other things. We have given it priority.

Senator FAULKNER—What has it been put in front of?

Ms Williams—Sorry, I have not got a list of departmental tasks, but we have given this priority. In fact, the reason that at least one, and I think both, of the two staff that Ms Gosling mentioned are working part time is that we have had to get people in to do that, simply because we have not got the staff on board to do it. Is that right?

Ms Gosling—That is right.

Senator FAULKNER—What is this costing the department?

Ms Williams—We don't know yet, but I will get you a good estimate. We were discussing that—

Senator FAULKNER—It will be quite substantial though, won't it?

Ms Williams—Yes, it will not be cheap, but I think it is important to do it properly.

Senator FAULKNER—I hear you say that, and I won't hold you to this, but you must have a reasonable feeling in terms of departmental planning—at least a ballpark figure for this secretariat support.

Ms Williams—Very roughly off the top of my head, I think with sitting fees and travel for members it might come to \$100,000.

Senator FAULKNER—Has the panel met with you yet, Senator Kemp?

Senator Kemp—I have not met with the panel.

Senator FAULKNER—What current task are the officials doing? Are the officials framing questions, for example?

Ms Gosling—Not, to my knowledge, at this moment. A lot of the focus has been on the administration for the first meeting, liaising with the Museum, getting background information together for the panel members in terms of some of the earlier work that Ms Casey has already mentioned, and the administration of working out the arrangements for placing the ad and setting up a relevant home page on the department's web site so that there is information available to the public about the review.

Senator FAULKNER—Who does the panel report to?

Ms Gosling—The panel is reporting to the chairman of the museum council; it will be a report to the chairman of the council.

Senator FAULKNER—To the chairman, the board or the chairman on behalf of the board—is that how it works?

Ms Gosling—The chairman on behalf of the board.

Senator FAULKNER—And the time frame is within six months?

Ms Gosling—Yes, that is what is expected. At this stage, the panel does not have a hard and fast time line, but it is expected that the panel will report probably around June.

Senator FAULKNER—Were invitations sought for membership of the panel?

Ms Casey—No, not as far as I am aware. Certainly they were not sought publicly. Whether or not the chairman rang people based on names that were put forward by some of our board members, I am not sure.

Senator FAULKNER—In your role, Ms Casey, were you asked to submit suggested names for possible inclusion on the panel?

Ms Casey—As members of the subcommittee of council, several people around the table workshopped some names and areas. We were particularly focused on what areas needed to be covered in the overall review generally.

Senator FAULKNER—That is helpful, but, with due respect, it is not an answer to the question. My question was: were you asked to develop a short list of suggestions for names to be included on the panel?

Ms Casey—No, not me personally.

Senator FAULKNER—Ms Williams, can I ask you in your role as secretary of the department: was the department asked to develop a list of names?

Ms Williams—No.

Senator FAULKNER—So Dr Carroll was all your own work, Senator Kemp?

Senator Kemp—I have put the point to you that there were names that were being suggested—I assume by board members—and I was consulted. I was asked whether I was aware of anyone who could make a contribution. I put forward, I think, as I mentioned to you, three or four names—one of whom was Dr Carroll. I am not sure what then transpired in the council, but Dr Carroll was one of the names that in the end was on the list.

Senator FAULKNER—Why did you think Dr Carroll would be a suitable chairman?

Senator Kemp—I have to explain: I was asked at discussions with Mr Staley, and I thought he was a very good person for the committee, but ultimately—

Senator FAULKNER—Why?

Senator Kemp—Dr Carroll has a very distinguished CV, which I am happy to share with you, but in the end it is a matter for the council to determine who was on the committee and, in the end, who was the chair.

Senator FAULKNER—Yes, but you recommended a name for the chairman and, lo and behold, that person became the chairman. All I am asking you is: why did you think Dr Carroll would be a good chair? If you thought he was going to be so crash-hot, surely you can explain to the committee why you so believe.

Senator Kemp—Dr John Carroll has a very distinguished—

Senator FAULKNER—CV—yes, we know that.

Senator Kemp—academic career, and I think that he is a person of some standing in the community. I think these were matters that the council had to determine. I felt that Dr Carroll was one of the names who could make a worthwhile contribution.

Senator FAULKNER—Yes, but why?

Senator Kemp—Because Dr Carroll is a very intelligent person. He is one—

Senator FAULKNER—You do not know why.

Senator Kemp—Senator, if you regard the idea that every feature I make of Dr Carroll as a matter of laughter for you, I do not think I will pursue it.

Senator FAULKNER—I am asking you why.

Senator Kemp—I am explaining to you that he is a very distinguished Australian, an academic with a very strong background in research. He has written a great deal. Therefore, from my point of view—

Senator FAULKNER—He is a sociologist, isn't he?

Senator Kemp—He is a sociologist.

Senator FAULKNER—Does he have any particular experience or expertise in museums policy or museums exhibitions and programs that you are aware of? You have read his CV. You have told us how good it is.

Senator Kemp—John Carroll, as I said, is a man of considerable interest in public affairs and I think that he will do an excellent job.

Senator FAULKNER—All right, but you do not know why.

Senator Kemp—I am explaining to you why. We will go through this again, because I do not know whether you are slowing up. John Carroll is a distinguished academic. John Carroll is someone who has considerable interest in public affairs. John Carroll has written a great deal on public policy issues, and I believe that he, along with other members of the committee, can make a significant contribution to this review. That is why.

Senator FAULKNER—I read somewhere that he is a conservative and an old family friend.

Senator Kemp—There is nothing wrong with being a conservative.

Senator FAULKNER—No.

Senator Kemp—As far as being a friend, I probably have seen Dr Carroll in the last five years, I suppose on average, once or twice a year. I do not think that makes him a close friend of mine.

Senator FAULKNER—No. Pity you cannot say why you think he would be a good appointment.

Senator Kemp—I have just explained to you why I think he would be a good appointment.

Senator FAULKNER—Is the report of the panel going to be made public?

Senator Kemp—I do not know if that issue has been considered, to be quite frank.

Senator FAULKNER—I am asking you to consider it now.

Senator Kemp—I am telling you, so just keep quiet. This issue, as far as I am aware, has not been considered and I will await advice on this matter from the council.

Senator FAULKNER—You are not good under pressure, Senator Kemp. You have to lift your game. You are not good under pressure.

Senator Kemp—Senator, I think you have to lift your game. You are, after all, the person who has now spent how many years on the opposition benches as a key adviser to Mr Kim Beazley?

Senator FAULKNER—It hurts.

Senator Kemp—What great advice that all was.

Senator FAULKNER—You are right, of course. You are far more successful at advising than I am. I certainly could not claim to have advised Mr Staley that Dr Carroll should be appointed as chairman of the National Museum of Australia. I have never put in a political fix like that.

Senator Kemp—But, on the other hand, you advised the Labor Party to recruit Cheryl Kernot. So on the basis of recruitment I do not think you have a strong record.

CHAIR—Senators, I think we might go to Senator Greig, who has been waiting patiently here.

Senator GREIG—I want to begin by seeking some clarification. Minister, I think you said a little earlier that the question of a review was mooted in around May 2001. Is that correct?

Senator Kemp—I think that was the advice we were given, yes.

Senator GREIG—As I have understood it, board member Mr David Barnett had raised concerns with the board. I am uncertain as to whether that was before or after the proposal for a review.

Senator Kemp—I will ask Ms Casey to respond to that.

Ms Casey—If we are talking about the review that took place on the text, as requested, of Graeme Davison, that happened before. That happened in about October–November 2000. It was before we opened, whereas the discussion about another review of all the content of the Museum began around the period after we opened in May 2001.

Senator GREIG—Did Mr Barnett raise his issues in relation to text on a personal level? Was he making representations on behalf of anyone else or an organisation?

Ms Casey—No, he sought and was provided with the text as a board member, and he raised those issues as a board member with the rest of the board.

Senator GREIG—Was that strictly with regard to text relating to Indigenous content and the presentation of Indigenous materials and history, or was it more broad?

Ms Casey—No, it was overall. It was across the whole of the Museum.

Senator GREIG—Could you acquaint the committee with Mr Barnett's particular expertise?

Ms Casey—Mr Barnett has a journalist's background. That is about all I know. He would have expertise as a member of the general public going through the Museum with his expectations of the Museum. As to what degrees or academic background he has got, I have no idea, but I can find out that information for you.

Senator GREIG—So his basic background is in journalism.

Ms Casey—Yes.

Senator GREIG—Did you know with which newspapers he had previously been employed?

Ms Casey—Only from reading the *Bulletin*. I have seen him write in the *Bulletin*, but apart from that I do not know.

Senator GREIG—Does the Museum receive written or phone call complaints from members of the public about museum content and presentation?

Ms Casey—We receive some complaints. We run surveys. Of the 1.5 million visitors that have gone through, we have surveyed 8,000 visitors. We have a sheet which our front of house people take people to if they want to make comments, whether complaints or to congratulate the Museum. We have done independent analysis of the media coverage that we have had two years in a row. The approval rating of the Museum and its content sits in the 90 per cent range. Both in terms of the surveys of the 8,000 people and the independent analysis of the media coverage, 93 per cent, as I recall, have been positive and two per cent negative. I cannot tell you off the top of my head what number of complaints we have had by telephone or in writing. They are very minor.

Senator GREIG—Does the Museum respond to every written complaint and, if so, is it done on an individual basis, or is there a form letter?

Ms Casey—I personally respond to every letter that comes to me. If letters go to the front of house—I will need to check that. I will ask Suzy Watson to answer that.

Ms Watson—We do respond to the written responses from the public that come through our front of house section in a variety of ways. It depends on what has actually been written about. Some issues can be responded to with a form letter, but often they are individualised to the specific comments that were made.

Senator GREIG—Media reports have left readers, or certainly me, with the impression that there were many complaints around the notion of an overrepresentation or a misrepresentation of Indigenous history. Is that a theme which comes through in written or phone call complaints?

Ms Casey—Certainly not in the phone call complaints that I have, and certainly not in any of the surveys that we have done formally. I need to check the ones on the floor.

Ms Watson—We record both of them. In the database, there is probably a distinction between written and phone call, but we do not necessarily do that when we look at the statistics. But, overall, in terms of the theme of whether there is a response like that, most of which comes through the general visitors survey that we ask visitors to respond to—the 8,000 that has been mentioned—there are questions in there about the content. Once again that overall satisfaction rate is coming through.

Ms Casey—We can give you a breakdown. By and large the first thing that people comment on is that they love the building. They mention that they like the Gallery of First Australians. There is not a majority of complaints about the Indigenous representation in the Museum. There are some comments that there is too much but they are very much in a minority.

Senator GREIG—Does the board read, consider and review the complaints and compliments that come in?

Ms Casey—At every board meeting the members are given a breakdown of the survey results and any other information that we have available. We give them the whole report. We do a monthly report and then we put it into a more precise report for presentation to the board.

Senator GREIG—Did Mr Barnett indicate in any way that his concerns and support for a review were influenced in any way by complaints?

Ms Casey—No, he did not say that he was influenced by complaints.

CHAIR—I thank the witnesses from the National Museum of Australia.

[12.46 p.m.]

CHAIR—We will return to outcome 1, A stronger, sustainable and internationally competitive Australian sports sector.

Senator LUNDY—I am very conscious of the time. I know we are due to finish this portfolio by one o'clock and I am hopeful the minister will indulge the committee and stay on for at least a short period so that we can have a little more than 12 minutes. We will see how we go. I am happy to put the majority of my questions on notice.

Senator Kemp—The time is short and, as I have always said, it is up to the Labor Party to decide how they want to organise their time. If Senator Faulkner wants to take up huge amounts of time on the National Museum of Australia—

Senator LUNDY—They are very important issues too, Minister.

Senator Kemp—They are all important issues but in the end you have to organise yourselves. That is what I have always said.

Senator LUNDY—Thank you, Minister. I would like to turn first to Backing Australia's Sporting Ability. The government budgeted for \$82 million over four years beginning in 2001-02 for Active Australia. Given the shift now to Ausport, can the commission provide a complete and detailed breakdown of how this \$82 million is going to be allocated in the current financial year and across the out years? In particular I have a series of questions about aspects of that funding that I want answered. I am happy to go through now and then give you an opportunity to provide me with as much of that information as possible. The areas I am specifically looking at are programs and grants funding for NSOs specifically relating to participation programs and/or Active Australia; funding for states and territories relating to participation programs and/or Active Australia; funding or partnerships, co-funding with state and territory health departments; research relating to participation and/or Active Australia; events relating to participation and/or Active Australia; education relating to the same; public relations or media funding relating to the same and number of positions and staff employed by Active Australia as compared to Ausport. I do not know how much of that information you are able to provide me with today. I do not want to spend too much time on it but I am very keen to hear what you have to say.

Mr Peters—I want to make an initial point. The change from the Active Australia logo to the Ausport logo is nothing more than a marketing change. No programs have been affected. Rather than using the logo of Active Australia we are now using the logo of Ausport. We are still referring to a number of our programs as Active Australia programs, such as the Active Australia Schools Network and the Active Australia Clubs Network. We had a number of verbal requests and discussions with people from the departments of health and education in the states. Their preference was to use the Active Australia logo in some of their programs, so we have really listened to that. It is also a way of badging the commission. There is no actual change in what we have been doing in any of those areas.

In relation to the specific questions that you have raised, we have got some information but we have dwelt more on the new initiatives et cetera with reference to this particular session. I am quite happy to supply those other details to you. I could call on Mr Espeland now to talk specifically about some of the initiatives—there are about eight or nine that have taken up the majority of the additional \$32 million. That \$82 million over the four years included an additional \$32 million specifically for the participation area. There are a number of new initiatives we have put in place to try to generate more participation working with NSOs, state departments and—as you have correctly said—with health departments now. Certainly, we have been working with the health department in Victoria, and we are seeing South Australia, Northern Territory and Queensland looking to come on in the Indigenous area and also in the outer schools program. As I said, there are a number of new programs as well as those that we are continuing on in the women's area, Indigenous area and junior sport area, where most of that money is now being directed. So I can certainly give you an overview of those new initiatives, but I am quite happy to take those that come under other areas and supply the information because it is within our budget predictions and budget papers.

Senator LUNDY—Thank you.

Mr Espeland—Looking at that additional \$32 million—which is roughly \$8 million over the four years—and looking at indicative figures for this year only and running through a few programs, please note that these figures can change in terms of slippage of programs and adjustments to programs. One of our key participation growth programs is that involvement in targeted sports, where we have identified 20-odd sports NSOs to work with, and there is a range of programs that are looking to increase participation. Some have a focus on the junior end, some more in the rural and regional area. We can provide further details on those. This year, provided there is a full approval—there are still about six to go to the board in the meeting later this month—we are looking for a spend of roughly \$4.7 million.

We have set up a small business support centre to support some of the very small NSOs who have either no full-time, or only part-time, administrative staff. We provide them with support particularly relating to communication and IT. The notion there is that those administrators can look to grow their sport and not be burdened with providing those administrative support services. That is roughly \$0.3 million.

We have \$0.1 million this year for Project CONNECT, and we have actually committed in the order of \$400,000 to this project as it matures. That program is about improving the disability education program but, more particularly, in developing a classification system for disabled athletes that is sport specific. Obviously, through this, we are looking to integrate disabled athletes more with able-bodied programs.

The Sanitarium Weet-Bix Kids TRYathlon series has been very successful and it is just great fun. It is a program run with a bunch of kids from ages seven to 12. We are looking to link them up with triathlon clubs. We have been running a very successful program at about \$0.33 million. We have invested \$0.56 million in the Support Your Sport activity with Westfield. That compares with Reebok's retail value in kind of about \$1.1 million. Westfield has provided the marketing and media campaign for about \$1.6 million and then about \$1 million for the logistics to deliver the program. The full results of that will be provided in a report to be made available to the commission later this month.

Senator LUNDY—Will that be made public?

Mr Espeland—Yes, we can report to that. We have obviously identified that a key issue is officials. There has been quite a leakage in terms of the number of officials—something of the

order of 28 per cent from the period 1997 to 2001. Last year we held a very successful series of 'A fair go for officials' forums, costing about \$0.5 million. This year we are translating that into a campaign which will be spearheaded by Year of the Official. This was announced by the minister at his Press Club address late last year. In this program we are looking to partner up with the key sports, the major sports—the football codes, netball, cricket, basketball—and to develop strategies that are aimed at greater recognition for officials. That is on the basis that, at the end of the day, it is about the safety of sport and the future of sport to have sufficient and competent officials available. I think downstream we have got about \$0.2 million for this year on that program and a further \$0.05 million next year. We have now started a dialogue with the state departments of sport and recreation. I think we will be looking to go back to our board for some more money in that area to use the infrastructure that is there and a lot of the good programs that are already there in the various states and territories.

Senator LUNDY—Are you looking at re-establishing the community sports grants to the states that were cut previously?

Mr Peters—We still give \$1 million out to states through sports education programs, compared with the \$3.2 million that we gave out previously. We deal with states on an individual basis around projects. Across a number of our programs now we have individual agreements with the states to deliver some of them. They often have the staff, but they don't have the program money. If we, in our leadership role, can develop the programs and provide them with funds, they are more than happy to work at the local government and the state level, together with our NSOs, in the delivery of the programs. So there are probably three areas now where we are engaged in negotiations of how that delivery happens. The states and territories were excellent in the 'A fair go for officials' forums and worked very well. Under what we now call sports education agreements, we distribute \$1 million to the states and in these other programs we negotiate on an individual basis.

Senator LUNDY—In terms of these annualised figures you have given me, that is \$1 million?

Mr Peters—Outside of what we are talking about now. There are things like the national coaching accreditation scheme.

Senator LUNDY—Is that part of the \$8 million of participation money?

Mr Peters—It is part of the \$82 million. The \$32 million we are talking about now is for the new initiatives we have put in with the additional money. There is still the remainder of the \$82 million over the four years that supports other programs that we are running through our various areas, and that \$1 million is part of that.

Senator LUNDY—So it is not part of the \$32 million or the \$8 million?

Mr Peters—No.

Senator LUNDY—But all the other parts you mentioned are?

Mr Espeland—This is just a pass across the initiatives that have been driven by the extra roughly \$8 million a year. There is the 1800 Reverse program and the Street Active program, which involves Skate Australia and BMX. We are actually starting to see some effect from that in terms of mainstreaming a new freestyle discipline for BMX—they are now developing that as a discipline in their sport. That involves \$1.1 million. I think Mr Peters previously mentioned our after-hours school sports program in South Australia, the Northern Territory and Victoria, which involves roughly \$0.2 million—not as part of our expenditure. That has

been a very effective partnership with Victoria Health, that have put in just over \$300,000. Across those three states our contribution has been \$0.2 million. The amount of \$0.1 million has gone to the junior sport framework, which is an enabling resource to ensure that sports are junior people friendly. So that is a range of new initiatives. Clearly a key one has been the targeted sports participation growth program, where we are working very closely with the national sporting organisations and then, through them, with the state organisations and that also involves, to an appropriate extent, the state departments.

Senator LUNDY—On my rough calculations of all of those amounts, it does not quite come to \$8 million.

Mr Espeland—That is what I said upfront; it is indicative. The figures will flow, depending on slippage and the like. But there has been, as Mr Peters said, no leakage at all. In fact, our original budget for the targeted sports growth participation program was probably going to be about \$1 million less this year, but we have brought that forward from our previous year because of delays in setting up the programs, setting up the business cases with the sports. So I suppose we are trying to paint a picture here of the \$32 million, roughly \$8 million a year, indicatively being spent in that fashion. As Mr Peters indicated, our portfolio budget statements would continue to show that that \$82 million in total and also the \$32 million new continues to go to these sorts of outcomes.

Senator LUNDY—Do you have out years expenditures planned for the programs you just described?

Mr Peters—Yes. We have them predicted over three years. One of the big issues for us is that some of the initial set-up costs are far greater than what they are in the second and third year. As some sports are coming on over their three years, some now will finish a year before others complete. We can provide the break-up of how that \$82 million is expended, because there are still existing programs in Indigenous, the women in sport area et cetera—

Senator LUNDY—I wanted to ask you if you could present that in some sort of tabulated format, broken down into programs across the out years as well. That would be helpful. I too want to say that, obviously, we have had a briefing from you, and that was much appreciated by my office as well.

CHAIR—Senator Lundy, we have actually reached our agreed time to finish, but I wonder what you would like to do.

Senator LUNDY—It is really up to the minister—he is folding up his papers. I have got so many more questions. I guess I could start to prioritise!

Senator Kemp—You will just have to contain your colleagues, Senator. I will give you a tip: what you have got to do is—

Senator LUNDY—Could you indulge me and just answer a couple of questions about the Paralympic situation?

Senator Kemp—You can ask a couple of questions on that, and that is it.

CHAIR—And the rest are on notice.

Senator LUNDY—Yes.

Senator Kemp—Good.

Senator LUNDY—Can you explain just what the government's position is with respect to the International Paralympic Committee's decision to bar athletes with intellectual disabilities

from the Athens Paralympic Games? I know you have expressed your disappointment and all the rest of it, but could you take this opportunity to do that again, perhaps?

Senator Kemp—Senator, I have been briefed by Mr Greg Hartung on this issue. My office has received a number of phone calls from parents of those involved in these Special Olympics and from special athletes, and they of course feel very concerned that they will not have the opportunity to compete. I have asked whether there is any action that can be taken to keep that door open, to see whether those athletes can take part. The advice I get is not good news, I have to say. It is a disappointment to a lot of people, to a lot of athletes and to a lot of parents. Although I am not confident, from the advice I have received—and I think confirmed by the Sports Commission—that this decision can be reversed, we will always do whatever we can. It is a blow to those people. There is no question of that.

Senator LUNDY—I heard some of the media reports, and they were quite devastated. One of the issues that has emerged from it is that the Australian Paralympic Committee is understandably concerned about the situation with their funding. Is the government in a position to provide assurances that the Australian Paralympic Committee will not be penalised or have their funding reduced as a result of this decision by the IPC?

Senator Kemp—Let me make an introductory comment that this government has given very generous funding to sport. I think there would be no argument, even between you and me, that the amount of funding that we have given to sport is at record levels. Of course, the paralympians, as have others, have benefited from that. We will have to look to see what the individual decisions are and the consequences of this, and we will look closely at it, but let me make the general point that we are very supportive of the paralympians. We are very supportive of what they have done. They have got a great record, and we certainly would not want to see them disadvantaged in any way.

Senator LUNDY—Finally, Minister, I know the government and the commission have done a lot of work to integrate disability sports with mainstream sports in a process of mainstreaming. Can you tell me if there are any sports that are resisting that integration with Paralympic sports?

Senator Kemp—I would have to rely on my advisers for that information.

Mr Peters—We are not aware of any sports that have resisted the notion. Some sports are having some difficulty, particularly when they are integrating major national championships where there are a lot of events that were previously in the sport for disability area on their own. There are scheduling problems concerned with that because you may suddenly require volunteers for six days rather than four. So there are some logistical issues but everyone has embraced the concept very positively and will continue to do so. One of the challenges for us is that in the disability area we are looking to rationalise and have some of those groups work more closely together. You mentioned in particular the IPC decision with Ausrapid and the Special Olympics. This raises the questions: what do we now do and what sorts of events are there? In terms of the mainstream sports, particularly those that have taken the issue forward such as athletics and swimming, it has been a really terrific response.

Senator LUNDY—Are you in a position to allay concerns that the IPC's ruling on athletes with intellectual disabilities will have some sort of negative impact on efforts to mainstream those sporting programs? I think you have effectively said that but I am looking for reassurance.

Mr Peters—The issue for the APC and ourselves at the moment is to look at whether the door is open. Project CONNECT that we talked about earlier is actually a world first. We have

involved the APC in looking at how we ensure the classification system in sports for people with a disability can be justified so that we do not have the Spanish basketball team incident, which caused this whole episode to get out of hand. We are working feverishly on that project in the hope that perhaps we can have an influence in getting the intellectually disabled back into the Paralympics. As international politics go we are but one player; Greg Hartung, who is president of the APC is also on the IPC board and he is coming back to us because their first question is: will it affect our funding? If we have to create different competitions for those sports people with an intellectual disability then we have to find the funds from somewhere. They are the sorts of discussions that we will now be having with the Special Olympics, with Ausrapid and with the APC. The short timeline of the decision has taken a lot of people by surprise. We now have to ask the APC to come back and talk to us about the implications.

Senator LUNDY—Thank you for your indulgence, Minister. Can I bring to your attention that there were some questions I placed on notice at the last round of additional estimates that I do not believe were answered.

Senator Kemp—Really?

Senator LUNDY—Yes, I wanted to raise that here. We will have to try to get those answers.

Senator Kemp—I will look at that. To be frank I was not aware of that. I thought all questions had been answered. Are they very time consuming questions?

Senator LUNDY—Unfortunately, because of our contracted time I am going to have to place another heap on notice, but thank you for extending the time, albeit briefly.

Senator Kemp—As you know I always try to help.

CHAIR—Thank you, Minister. We appreciate your presence here this morning. That concludes the examination of the Communications, Information Technology and the Arts portfolio and I thank all officers who have appeared here this morning.

Proceedings suspended from 1.08 p.m. to 2.06 p.m.

ENVIRONMENT AND HERITAGE PORTFOLIO

In Attendance

Senator Hill, Minister for Defence

Department of the Environment and Heritage

Executive

Mr Roger Beale, Secretary

Ms Anthea Tinney, Acting Secretary

Dr Conall O'Connell, Acting Deputy Secretary

Mr Max Kitchell, Acting Deputy Secretary

Sustainable Industries and Atmosphere Division

Mr Peter Burnett, First Assistant Secretary

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

Mr David Atkinson, Acting Assistant Secretary, Government Partnerships, Chemicals and Biotechnology Branch

Mr Kerry Smith, Acting Assistant Secretary, Industry Partnerships Branch

Approvals and Wildlife Division

Mr Gerard Early, First Assistant Secretary

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

Mr Mark Flanigan, Assistant Secretary, Policy and Compliance Branch

Mr Tim Kahn, Director, Mining and Industrial Section

Ms Anne-Marie Delahunt, Wildlife Branch

Heritage Division (including Australian Heritage Commission)

Mr Bruce Leaver, First Assistant Secretary

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

Dr Barry Reville, Assistant Secretary, Heritage Division and Deputy Executive Director, Australian Heritage Commission

Natural Heritage Division

Mr Harry Abrahams, Director, Northern Territory and Cape York Commonwealth Regional Natural Resource Management Team

Dr Rhondda Dickson, Acting First Assistant Secretary

Ms Chris Schweizer, Assistant Secretary, Commonwealth Regional Natural, Resource Management

Dr Annemarie Watt, Acting Assistant Secretary, Commonwealth Regional Natural, Resource Management Team

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

Parks Australia

Mr Peter Cochrane, Director

Marine and Water Division

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

Ms Alison Russell-French, Assistant Secretary, Coastal Branch
 Mr Ian Cresswell, Assistant Secretary, Marine Branch
 Mr Theo Hooy, Acting Assistant Secretary, Water Branch

Strategic Development Division

Mr David Anderson, First Assistant Secretary, Strategic Development Division
 Mr Peter Woods, Assistant Secretary, Corporate Relations and Education Branch
 Mr Mark Hyman, Assistant Secretary, International and Intergovernmental Branch
 Mr Dale Starr, Manager, Public Affairs Section, Corporate Relations and Education Branch
 Ms Karen McCormick, Manager, Public Affairs Section, Corporate Relations and Education Branch

Policy and Coordination Division

Mr Phillip Glyde, Chief Finance Officer
 Mr Patrick McInerney, Acting Assistant Secretary, Policy and Accountability Branch
 Mr Stephen Mayes, Assistant Secretary, Finance Branch

Australian Greenhouse Office

Mr Howard Bamsey, Acting Chief Executive
 Dr Diana Wright, Senior Executive Manager, Sustainable Energy Group
 Mr Gerry Morvell, 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 Greg Terrill, Executive Manager, Greenhouse Policy Group
 Mr David Clarkson, Manager, Corporate
 Mr Mark McGovern, Finance Manager

Great Barrier Reef Marine Park Authority

The Hon. Virginia Chadwick, Chair
 Mr John Tanzer, Executive Director
 Mr Andrew Skeat, Acting Executive Director
 Mr John Barrett, Manager, Financial Services
 Mr Michael O'Keefe, Manager, Ministerial and Parliamentary Liaison

CHAIR—I now reconvene the Senate Environment, Communications, Information Technology and the Arts Legislation Committee, which is considering the 2002-03 additional estimates. This afternoon we are dealing with the Environment and Heritage portfolio. I welcome Mr Roger Beale, his officers and other officers from the departments. Senator Hill will be representing the Minister for the Environment and Heritage, but he is not here yet. The first agency we are dealing with is the Great Barrier Reef Marine Park Authority.

Senator CARR—Chair, before we do that, can Mr Beale give us a summary of the changes that have occurred in the department's appropriations?

Mr Beale—Certainly. Mr Phillip Glyde is our new chief financial officer. He will step in and correct me if it is necessary. First of all, there is no change to the overall role of the portfolio but, within the portfolio, there has been a change in the status of the Bureau of Meteorology such that it becomes an executive agency. That in turn is reflected in the accounts. It is also a prescribed agency under the Financial Management Act. That is dealt with on page 33. There are no additional measures—that is, spending decisions. The changes

relate to the revisions to the capital user charge, parameter adjustments—for example, indexation—rephrasing and reprofiling between years, both forward and backwards, and adjustment to interest revenue. This is a matter that has occurred across all departments as a result of central policy changes to the management of our Treasury function. The portfolio's departmental appropriation budget goes up. The department goes up by \$11.797 million and the Australian Greenhouse Office goes up by \$1.129 million. The portfolio goes up by \$12.96 million. This is essentially summarised on page 7 of the yellow document, under the heading 'Additional estimates and variations for the portfolio'.

The increase is offset by savings in administered appropriations. For administered Appropriation Bill (No. 1) there was a saving of \$669,000—that is \$0.669 million; administered Appropriation Bill (No. 2) had a saving of \$2.94 million. Therefore, the two appropriation bills had a total saving of \$3.609 million. Those savings relate to rephasings of various grant programs for the department. Would it be helpful if I take you through those, Senator Carr?

Senator CARR—It would be, because you know I will ask you to go through them in any event. Thank you.

Mr Beale—I am now going to deal with pages 13, 15, 16 and 17 and then page 38, as far as the department is concerned. There are additional government appropriations of \$11.797 million. Of this, \$9.43 million is in relation to the capital use charge, primarily relating to the Antarctic Division. That, in turn, relates to an asset revaluation when the full value of some of the assets held by the division were brought to account for the first time. There was a \$1.941 million increase in depreciation. There was \$0.265 million in wildlife import fees, which the department earned in 2001-02 and that went to the Department of Finance and Administration in 2001-02. In this financial year, Finance is effectively reappropriating those earnings to us. There was a \$0.161 million indexation adjustment—this is a parameter change.

There are net savings in administered appropriations of \$0.669 million. There was a \$1.06 million reduction in the Historic Hotels grants program. This was because, at the time we put the budget together in April, we made a forecast of how much we would spend last year. In fact, we spent more last year than we had anticipated, hence we did not require the money this year. So that \$1.06 million was spent in 2001-02; it, therefore, did not need to be provided in 2002-03. There is an amount of \$308,000 to go into the Natural and Cultural Heritage Special Account. This is a special account established under the Protection of Movable Cultural Heritage Act, which is a piece of legislation that enables the Commonwealth to intervene in the event that a piece of important Australian art, a historical object or other memorabilia is to be exported overseas. The legislation allows for an account to be refreshed, if you like, to \$500,000, in case we have to intervene to acquire an object that would otherwise be exported. There was an \$0.78 million increase in an ABRS participatory grants program. Again, that was an amount of money that we thought would be spent last year but, in fact, has been carried over to this year. There was a \$0.005 million indexation adjustment. So it is one negative and then those three positives.

For Appropriation Bill (No. 2), there was a saving of \$2.940 million. This is the same story as the rephased Historic Hotels grants program. In April last year, when we put the figures together for the budget in May, we did not anticipate making that payment before the end of the financial year. As it transpired, the work went faster than was expected and we were able to make the payment, so we no longer need to provide for it in this financial year. That, I think, summarises the critical elements so far as the department is concerned.

In the Australian Greenhouse Office—this is found on pages 77, 79 and 80—the additional government appropriations of \$1.129 million are due to a \$1.463 million rephasing of the renewable energy commercialisation program, a \$0.85 million parameter adjustment and a reduction in interest of \$0.419 million as part of the overall Commonwealth-wide interest adjustment. There is an increase in administered appropriations, under special Appropriation Bill (No. 2), of \$1.448 million, which is rephased funding under the Greenhouse Gas Abatement Program into this financial year, and a decrease in revenue from other sources of \$0.081 million.

The Bureau of Meteorology, on page 107, is listed simply to record that it became a prescribed agency under the Financial Management Act on 12 September and that the financial statements reflect the new arrangements. There will be final adjustments after the ANAO has examined the detail. We expect corrections after the final transfers of revenue and expenditure are completed. So at the moment, for example, the figures show a departmental surplus increasing to \$12.072 million, offset by the bureau's deficit increasing to \$10.287 million. This is on pages 58 and 123. Those movements will be unwound when the auditor goes through the accounts and completes the reconciliation. In summary, there are no policy oriented changes. The changes that have occurred are a result of, principally, spending money last year that we had not expected to spend before the end of the financial year or, alternatively, making payments this year that we had expected to make last year.

Senator CARR—You no longer talk in terms of underspends and overspends—why is that?

Mr Beale—We were able to make some of the payments—for example, on the Goondiwindi Serpentine scheme—last year. We had allowed for them in these appropriations as well, ultimately.

Senator CARR—I understand what you have done; you have explained that to me in some detail, and I appreciate that. I am just wondering why the language has changed. We no longer have an underspend or an overspend; we have a rephasing of spending. Where does this concept come from? Is this in the *Yes, Minister* guide to budgetary analysis?

Mr Beale—It may well be found there, but the vocabulary is not actually a personal choice, as far as I am concerned, and I believe it is in accordance with the department of finance's guidance on the way these things are expressed.

Senator CARR—So that is the full list of underspends, is it, for this year—there are no others?

Mr Beale—Not that I am aware of.

Senator CARR—And the full list of overspends?

Mr Beale—That affect the appropriations.

Senator CARR—What do you mean? Have you got others that do not affect the appropriations?

Mr Beale—One could no doubt have variations in projects within appropriations, but that is not a matter—

Senator CARR—But the overall effect is that.

Mr Beale—The overall effect is that, yes.

Senator CARR—Basically, you are seeking close to an additional \$12 million for the department?

Mr Beale—That is correct.

Senator CARR—Have the staffing levels changed?

Mr Beale—There has been some change but none of any significance. You will see under outcome 1, which is the environment—on page 16 of the yellow book—that the average staffing level was 800 in the budget, 2002-03; the revised figure is 800. With meteorology, there is a significant downward reduction as far as the department is concerned but, later in the book, you will see that that is precisely offset by an increase so far as the bureau is concerned, which is a new prescribed agency.

Senator CARR—So in terms of the transfer there is no loss of jobs?

Mr Beale—No.

Senator CARR—Is there any talk within the department of the establishment of a measurement bureau or a measurement agency? Have there been any discussions with the department about further reorganisation of a measurement bureau?

Mr Beale—Not that I am aware of. Do you have any clue as to what it might be measuring?

Senator CARR—There is no talk of all the scientific agencies being put together and moved into DEST?

Mr Beale—Not that I am aware of.

Senator CARR—It has not reached your ears?

Mr Beale—No.

CHAIR—We welcome Senator Hill, the minister representing the Minister for the Environment and Heritage, who I believe has made a lightning dash from Townsville to be here. We appreciate your presence.

Great Barrier Reef Marine Park Authority

Senator McLUCAS—I note that GBRMPA has no extra appropriations. Thank you also for the answers that you gave us on visitation levels at Reef HQ. Could you update the committee with the projections for this quarter and whether we are running at the visitation levels you expected.

Ms Chadwick—Thank you very much for your interest in Reef HQ and for visiting us recently.

Senator McLUCAS—It was a pleasure.

Ms Chadwick—I am pleased to say that we have the figures, but not for the last month. As far as I am aware, from talking with the head of that unit, we are on target. Obviously the numbers are not as good as we had, perhaps optimistically, hoped for but the overall paying visitor numbers are definitely up. Our revenue is also up. So the effort that was involved has so far been worth the effort. Given your interest, I am happy to keep you informed of how those numbers are going.

Senator McLUCAS—Are you saying that the figures are not as good as budgeted?

Ms Chadwick—We did have something of a business plan. We anticipated not just the halo effect of the opening and the opening months but also what might happen afterwards.

The numbers appear to be plateauing, but are significantly better than they were prior to the refurbishment. But they are not quite at the optimistic level that we had hoped for.

Senator McLUCAS—Could you put some figures around that in terms of what you projected and what you are actually achieving?

Ms Chadwick—I do not have those figures with me, but I am happy to provide them. There is no cause for alarm at the moment.

Senator McLUCAS—The other part of that question is: what is the reduction in revenue from Reef HQ as a result of not meeting those targets that were predicted in the business plan?

Ms Chadwick—We are within the budget that we had allocated. We have certainly started a number of related projects, which are not necessarily conducted at Reef HQ. For example, recently Minister Kemp launched a web based coral reef education project which not only services the schoolchildren of Townsville but already has had something in the order of 660 hits in the first week or so. When you realise that one of those hits would come from a school, and the multiplier effect of a classroom of children and teachers downloading curriculum material, it is already having a profound impact. It is all still within the projected budget.

Senator McLUCAS—I suppose what I am really getting at is that the business plan projected an income level from Reef HQ that I think you are telling me we are actually not quite meeting.

Ms Chadwick—We are not quite meeting it.

Senator McLUCAS—I would like to know what the shortfall will be between the business plan projected income and what we will actually receive in terms of income.

Ms Chadwick—I will need to take that one on notice.

Senator McLUCAS—Have there been any changes with the potential reduced revenue? It is quite a substantial part of your budget. Have you had to reprioritise any of the programs within GBRMPA?

Ms Chadwick—No.

Senator McLUCAS—Has there been any change in the outputs?

Ms Chadwick—No.

Senator McLUCAS—Not at all? Terrific. When does the EMC go up?

Ms Chadwick—On 1 April this year. That is an increase of 50c on the \$4.00. You might recall that that is in line with the formula that the tourism industry itself insisted on having placed within the regulations. It is the first such increase.

Senator McLUCAS—How has that process of bringing that on line gone?

Ms Chadwick—I think it has gone exceptionally well, bearing in mind the importance of the tourism industry not just to the Great Barrier Reef and Queensland but to Australia and knowing how difficult it has been with, say, Ansett collapses and a range of other issues with which you would be familiar. I was very sensitive to any increase in the EMC and, as a consequence, 14 months ago—if I remember correctly—I rang all the major tourism operators and sent letters to all other permittees to give them more than 12 months notice of this 50c increase. I think they were grateful and I think they have therefore been able to project that in their forward budgets.

Senator McLUCAS—So the response has been, ‘Yes, we accept it’?

Ms Chadwick—I would have to say nobody that I am aware of—tourist operator or otherwise—likes paying more money than they have to, but I do think they were appreciative of the fact that it was applying the formula that the industry itself had insisted be in the regulations and that they had a personal letter or phone call giving them greater than 12 months notice. I think they thought it was fair.

Senator McLUCAS—Could you provide for me—and you may have to do this on notice as well—the total full-time equivalent number of staff that GBRMPA had at 1 July last year by output and by program? I dare say you do not have that in your head.

Ms Chadwick—I would love to say I did, but I do not.

Mr Barrett—There are some things in the portfolio budget statements on what our staffing levels are against outputs as at May last year in terms of what was projected for this year. Those would be the figures that would be available at this stage.

Senator McLUCAS—I would like to know the actuals at 1 July and then the same information as at now. The question I need to ask about it is: do you project any changes in staffing between now and the end of the financial year?

Ms Chadwick—I do not. I am happy to see if that information can be presented to you in the form you request. I am not anticipating any drop in staff between now and the end of the financial year. Given your interest in GBRMPA matters, you would know that we put on a lot of temporary agency staff when we were doing the data compilation for the Representative Areas Program. They came on for several months for a particular task and then left again. So, when I say that there are no cuts in staff, I am not talking about people who are casuals who are brought in to do a one-off, specific task, such as the RAP data compilations.

Senator McLUCAS—Were those staff members essentially secretarial?

Ms Chadwick—They came from an agency, did a particular job and left.

Senator McLUCAS—How many were there?

Ms Chadwick—To my recollection, there was something in the order of five or six of them.

Senator McLUCAS—I would like to move to the Representative Areas Program, as I am sure you predicted. For the record, can you give us the time lines for when those milestones will occur in the Representative Areas Program. Could you also do it somewhat historically, telling us when we started and what the process has been.

Ms Chadwick—I would be delighted, but Mr John Tanzer, who is executive director, tells me that when he worked at GBRMPA and in Queensland agencies years ago he went to meetings in GBRMPA in 1996 or 1997 to talk about desirabilities. I am not quite sure what sort of historical—

Senator McLUCAS—Probably not that historical. Within this financial year.

Ms Chadwick—As you know, we went out for our first round of public consultation last year. I had anticipated that we would have those responses analysed and the work done to develop a draft zoning plan by about March or April this year. We received an amazing and historic number of submissions—10,180, if I recall correctly—and that is why we had to take a lot more time than I had anticipated to analyse those submissions. As a result, it is now hoped that we will be out for our second phase of public consultation by midyear.

Senator McLUCAS—Can we take midyear to mean June?

Ms Chadwick—As I said, I hoped that we would be ready around March or April. I did not predict the enormous response. When I say I am looking at midyear—and, yes, midyear means June—I would not stake my total reputation on that, because there may be many things that I am unaware of at the moment in the work that we are doing that might drag that out further. But we are trying our hardest to be out by June.

Senator McLUCAS—Has the analysis of the submissions been completed? Where are we up to with that process?

Ms Chadwick—We have, in fact, completed the analysis of the submissions and we have a database of those submissions. We are now preparing a number of position papers for, at this stage, internal discussion on matters which are of vital importance to the definition and meaning of each zone and related matters. For example, we have a group looking at what we mean by research, what we mean by a research zone, what types of things should or should not happen in research zones and, if you have a research zone, whether you should allow research elsewhere. We are grappling with those sorts of big issues, because determining those determines what it means when you put a particular colour or label on the zone. We are working our way through those issues at the moment and, as you can imagine, each issue has its own constituency, not always with a unanimous view on which way you should go. John Tanzer basically has carriage of this.

Mr Tanzer—The other deadlines will be somewhat determined by the Office of Legislative Drafting. The draft zoning plan is a legislative statutory document, so we are working with the office at the moment to see what sort of service they can supply over what time frame. But it is quite a complicated exercise. The timing is going to somewhat depend on how we go with the Office of Legislative Drafting. We are not expecting major hold-ups there, so midyear is what we are working on.

Senator McLUCAS—Could you describe the process from then on for the record?

Ms Chadwick—We will go out in a similar manner to the first round of consultation, which you might recall involved something like 200 formal public meetings and countless other meetings with individuals and special interest groups. Other community groups decided to have their own meetings, many of which we attended. I am presuming that the second round will include approximately the same level of involvement as we undertook last year. That having been done, there will be submissions and responses that come from that. We will then go through the whole round again and analyse those submissions and make any adjustments which we believe are necessary as a result of those submissions. We will then be at the point where the Barrier Reef Marine Park Authority board will need to consider whether it supports this going forward to Minister Kemp. He in turn will decide whether he is supportive and believes that we have done a good enough job for him to present that to the parliament.

Senator McLUCAS—If we got the draft zoning plan by June, the second round of consultations would occur in what month?

Ms Chadwick—To get to the end of the process, I would have thought that it would be a wonderful thing if we had the draft zoning plan to parliament by the end of this year.

Senator McLUCAS—By November?

Ms Chadwick—All going well. I should point out that with the last zoning plan and the plans of management, which are on a geographically smaller scale, many of them took a

decade. We are trying to do the whole reef in one year—it has never been done before. So we are working to time lines but I cannot guarantee that we can achieve them.

Senator McLUCAS—When you say you are working on two time lines, do you mean the delayed one because of the involvement—

Ms Chadwick—We are working to a time line: t-o, not t-w-o or t-o-o.

Senator McLUCAS—In terms of staffing, you have talked about the number of temporaries that you had to put on because of the interest and those people have now moved off that work. Excluding those individuals, what number of people have worked on the Representative Areas Program over the period of time, including temporaries, and do you expect any movement up or down between now and the end of the year?

Ms Chadwick—I would say without exaggeration that there is not a single person who is working at GBRMPA who is not, has not, and will not continue to be involved with the Representative Areas Program.

Senator McLUCAS—So staff have not been taken off-line from their other tasks? I am trying to understand the structural organisation internally.

Ms Chadwick—For example, within our fisheries interest group we have a person who, amongst other things, is a liaison officer. For that aspect of his duties, which is significant, for the last 12 months his liaison work—when he goes to fishing groups, commercial or recreational fishermen's groups—involves working on RAP. Similarly, it is the same thing for the tourism liaison officer. So I am not exaggerating when I say that the focus for people working on policy in GBRMPA is on the policy issues surrounding the rezoning. It is not that people are moving off-line; it is more that the priority of their work has RAP as an emphasis.

Senator McLUCAS—Would you say then that the whole process of understanding the Representative Areas Program has refocused GBRMPA, and what work that was previously being done is now not being done as a result of that refocus?

Ms Chadwick—The way we have tried to do this is that it is not that work is not being done but it is more that it is being done with less intensity and over a longer time frame, because it is physically impossible to complete the rezoning and keep a high activity, high intensity, on other issues. So we really have decided that things such as water quality, the Representative Areas Program, compliance and enforcement issues out in the park, and Indigenous hunting matters are things that we cannot afford to let slip. Other things will still get done but they may not get done in the same time line that we would have achieved them in if it had not been for the Representative Areas Program.

Senator McLUCAS—When you say 'other things' Ms Chadwick, what sorts of other things have changed their time lines?

Ms Chadwick—I hesitate to raise an example with the senator at the table, but I seem to recall about two years ago his urging me to move forward on a particular matter in the tourism area. It is almost finished now. That is an example that work still goes on but perhaps not at the same level and at the same speed that one would have anticipated if had not been for the Representative Areas Program.

Senator McLUCAS—I suppose I am looking at basically core business, dealing with applications for permits. Has any of that time line changed at all?

Ms Chadwick—We are still keeping to our time line in terms of processing permit applications, assessments and the like. That is our core business and that has not been detrimentally affected.

Senator McLUCAS—They must be working very hard.

Ms Chadwick—I think we all are, Senator.

Senator McLUCAS—I want to go now to an article that is in today's *Townsville Daily Bulletin* where Mr Lindsay suggests that it would be appropriate to extend the boundary of the marine park area to the exclusive economic site. I daresay you are aware of that article.

Ms Chadwick—Yes, I was lucky enough to catch the six o'clock flight from Townsville and was hence happily able to read the bulletin.

Senator McLUCAS—You should have caught a lift with Senator Hill.

Ms Chadwick—No, he was on a different type of flight.

Senator McLUCAS—I know, a much faster one.

Senator Hill—Mr Lindsay pointed it out to me as initiative.

Senator McLUCAS—In that article, Mr Lindsay suggests that we should extend the boundary. Has Mr Lindsay sought advice from GBRMPA about the implications of such a policy shift?

Ms Chadwick—Not in a formal sense. Townsville is a metropolitan treasure but it is not huge and hence one does meet people and talk to them. Obviously, from time to time Peter Lindsay has talked with me about this initiative of his. As to whether he has sought advice in a formal sense from the authority on what it would mean, whether in terms of measurements or resources or anything of that nature, the answer is no. However, you would also be aware that Peter Lindsay has always been a great supporter, great friend and advocate for GBRMPA, so I would believe that he had a fair lot of personal and professional knowledge on how GBRMPA is structured and how zoning plans work and the like.

Senator McLUCAS—Yes, I think I would like to line up beside Mr Lindsay as a great supporter and advocate of the Barrier Reef Marine Park Authority as well.

Ms Chadwick—Senator, I am happy to say that you are, in my experience.

Senator McLUCAS—So there has been no formal letters or formal phone calls seeking any information about what it would mean?

Ms Chadwick—That is not to say he has not talked about it in passing and in a general sense, but in terms of seeking formal advice from GBRMPA, no.

Senator McLUCAS—The intention of Mr Lindsay's proposal, I understand, is to ensure that oil drilling does not occur in the Townsville Trough and other areas where there is prospectivity?

Ms Chadwick—I have no idea what the primary motive is of Mr Lindsay. You will probably need to ask him yourself. I know he is a big fan of GBRMPA. Perhaps he just wants us to expand.

Senator McLUCAS—Has GBRMPA done any assessment of what the implications of extending the marine park boundary to the EEZ would mean?

Ms Chadwick—No, as you would see from our previous questions and answers we are far too busy to deal with hypotheticals.

Senator McLUCAS—What would the process be if we were to extend the marine park boundary to the EEZ? Who would take carriage of it? What would occur? Who would be in charge?

Ms Chadwick—Presumably the proposal would have to have the support of the parliament. Someone would have to sponsor a bill to expand the boundaries of the Great Barrier Marine Park. It would have to have a majority and then it would, in the same way that the Great Barrier Marine Park Act was enacted back in the 1970s, be exactly the same process.

Senator McLUCAS—And if that bill were to be carried, what would happen then?

Ms Chadwick—It would mean something in the order of the doubling, more than doubling I presume, of the size of the Great Barrier Reef Marine Park. It would not, I believe, have an effect on the World Heritage designation because it would be a new area and our legislation would say that we would have to develop a zoning plan.

Senator McLUCAS—So we would have to do another zoning plan for that whole area which is probably more than the size of the park already.

Ms Chadwick—Our act says that it should be zoned—if I remember correctly what the section says—as soon as is practicable. So in terms of the 28 new areas that came into the park, it has been a year to 18 months since they came in—so it does not happen instantly but as soon as is practicable.

Senator McLUCAS—How long would it take for us to get a new zoning plan to cover an area the size of the proposed extension?

Ms Chadwick—Going on RAP, I would say about a year.

Senator McLUCAS—What cost implications do you think extending the boundary would have to the Marine Park Authority?

Ms Chadwick—I would presume that if the parliament and the government of the day supported such legislation that any necessary resources that the parliament deemed appropriate would flow with the legislation.

Senator McLUCAS—So it would have to be basically a doubling of your appropriation?

Ms Chadwick—Again it is quite hypothetical. There are not the same urban pressures there. It is a completely different environment. It would be impossible, I think, to predict.

Senator McLUCAS—Impossible to predict? I mean you could do some work on it and you would be able to understand what the cost imperative was.

Ms Chadwick—I suppose one could do some work on it but given that it is unlikely to happen in the foreseeable future I would prefer to expend our efforts on the Representative Areas Program.

Senator McLUCAS—I agree it is unlikely to happen, by the way.

Ms Chadwick—Unless the government of the day chooses to take up such a proposal and that, of course, I could never predict.

Senator McLUCAS—Could you tell me the current boundary of the marine park area and you might just want to take that on notice.

Ms Chadwick—It is about 342,000 square kilometres.

Senator McLUCAS—Could you also tell me what the size of Mr Lindsay's proposed marine park area might be? You will have to take that on notice.

Ms Chadwick—I have no idea what the size of Mr Lindsay's proposed marine park area is—it is outside the area of GBRMPA and hence outside my area of responsibility.

Senator McLUCAS—Mr Lindsay says in the article in today's paper:

Thousands of reefs are outside the marine park, some of which are suffering the ill-effects of coral bleaching and over-fishing.

Do you have any evidence to provide the committee about whether or not that is in fact the case?

Ms Chadwick—I would have to say I could not speak on the matter of fishing because it is well outside the area of the existing marine park which is my area of responsibility. So it probably should be the fisheries minister or department that you talk to there. In terms of coral bleaching, though, I can say—given the work that we did on coral bleaching last year—yes, there has been bleaching on a number of reefs out there.

Senator McLUCAS—Do you monitor the health of the reef outside of the marine park area?

Ms Chadwick—I have no formal authority to do so. However, given we have a memorandum of understanding with both AIMS and NOAA, the American agency, we know from some of their work and from the satellite imagery that there were in fact hot spots and there was coral bleaching well out into the Coral Sea. So from that I can say confidently that sadly there was coral bleaching out there. Also, a number of Queensland tourism operators who do charters—diving charters, for example—out to those reefs have reported back that there has been significant coral bleaching outside the marine park.

Senator McLUCAS—What would be the cost implications of extending the Great Barrier Reef Marine Park region to the EEZ?

Ms Chadwick—I could not answer that because I have no capacity. It is a bit like your last question. How could I possibly deduce that when our current responsibility ends at the edge of the Great Barrier Reef Marine Park?

Senator McLUCAS—Just for the committee's information, the marine park area and the Great Barrier Reef Marine Park region: what is the difference in terms of management within those two discrete boundaries?

Ms Chadwick—Within the Great Barrier Reef Marine Park it is the responsibility of GBRMPA and, as you know, we take our responsibilities seriously. The region we do not have a responsibility for.

Mr Tanzer—The marine park is zoned except for those 28 new areas that came into the park which were part of the region. Once they are zoned, zoning plan provisions apply and the permitting provisions apply.

Senator McLUCAS—So areas that are within the region but not within the park you do not have to zone; you do not have to permit access to. Do you do any actions that have cost in the region but not in the park?

Mr Tanzer—The only provision that comes to mind is in relation to oil drilling or exploration, which is banned in the entire region.

Ms Chadwick—That is correct.

Senator McLUCAS—That is simply the one difference between your role in terms of the region as opposed to the park?

Mr Tanzer—That is my understanding.

Senator McLUCAS—Do you imagine there are any costs in outlawing prospecting or drilling for oil for the authority?

Ms Chadwick—It is already prohibited.

Senator McLUCAS—That is right, so extending the region would essentially have very little cost implications for the operations of the authority.

Ms Chadwick—Unless one moved to zone it.

Senator McLUCAS—You cannot zone an area that is not in the park but in the region?

Ms Chadwick—I do not think so. I do not believe that there would be significant costs associated with it.

Senator McLUCAS—You do not think there would be significant costs associated with extending the region but there would be if you extended the park.

Mr Tanzer—Yes.

Ms Chadwick—Yes, that would be so.

Senator McLUCAS—In the portfolio budget statement it suggested that it costs approximately \$28 per square kilometre just for field management of the national park. Do you think it is reasonable for someone like me trying to work out the costs of Mr Lindsay's proposal to extrapolate that figure to manage the area east of the current marine park area boundary to the EEZ?

Ms Chadwick—I think it would be something of a futile exercise, because a lot of the effort that goes into managing the marine park is centred particularly around the coast. That is where you have your recreational fishing pressures, your small-scale tourism operations, the majority of the tourism activity on your islands, the dugong protection areas are close to the coast and it is where you have your Indigenous liaison. So many of the activities that are resource rich in terms of the on-the-water management of the marine park are relatively close to the coast. So when averaged out across the entire marine park it comes, as you say, to about \$28 or thereabouts. By definition, if you are many kilometres offshore one would hopefully anticipate that you are not going to see large-scale tourism operations. You are going to see presumably some fishing and perhaps some divers around the reefs, but the activity out there is on a much lesser scale. I have not analysed it, as I say, but it stands to reason that the cost per square kilometre 100 kilometres offshore is going to be less than two kilometres offshore.

Senator McLUCAS—I agree, and given that there are fewer reefs in a lot of that area so it will cost less but there certainly will be a cost. I am interested in your comments, though, that you think it is unlikely to happen and I think that your analysis is probably correct.

Ms Chadwick—Stranger things have happened, and if it were in fact the will of the parliament it is a trust I would happily undertake.

Senator McLUCAS—If it were in fact the will of the parliament is I think the important part. I do not know that Mr Lindsay has done a lot to get a lot of support from his colleagues, but that is a bit of commentary on the side, I think. I move now to the issue of shipping safety, an area we talked about when I was at the authority recently. Just for the record could you

give us an understanding of the origin of the Great Barrier Reef and Torres Strait Shipping Management Group—why that group was established and its time frame to this point in time.

Ms Chadwick—The shipping management group has been operating for several months now and is in fact a direct result of a report which was prepared for Minister Anderson when he was very concerned, following the grounding at Sudbury Reef, that an investigation should be undertaken with a view to providing him with recommendations on ways to make shipping safer in the Great Barrier Reef. That group was headed up by the Australian Maritime Safety Authority, with support from the Department of Transport and Regional Services, GBRMPA and the Queensland Department of Transport, Maritime. We conducted community consultations with a vast array of groups up and down the Queensland coast, and indeed into Torres Strait. A report was prepared that included something like 41 recommendations and that was presented to Minister Anderson.

As a direct response to that, in giving in-principle support to those recommendations, he urged the creation of the shipping management group. It is chaired by DOTARS. AMSA is on it—and AMSA provides a secretariat—as well as us and Queensland Department of Transport, Maritime. We are tasked with preparing an ongoing report to the minister on how the modification and implementation of recommendations are going. We are preparing a shipping management plan and a shipping impact statement for him.

Senator McLUCAS—I understand that it was recommended that the shipping management plan was to be considered by the SMG in December. Did that happen?

Ms Chadwick—The report, in fact, was considered. It has been an iterative process. Yes, we did look at it in December; we also looked at it in January. The draft report has gone to Minister Anderson.

Senator McLUCAS—When is it going to be circulated to stakeholders?

Ms Chadwick—I am an active and eager participant in this group. It is held under the auspice of Minister Anderson.

Senator McLUCAS—I may put some of these questions on notice. One that I am particularly interested in is the recommendation that there be an upgrade of the navigation charting for the area between the inner route to Cairns, which was planned for December 2002. Are you aware of whether or not that occurred?

Ms Chadwick—Not offhand, but I am happy to take that on notice and, if I can, provide an answer. I am aware though that there has been a lot of work that has been done between the federal Department of Transport and Regional Services, Queensland Transport, AMSA and the hydrographer's office in Wollongong to bring about these new generational charts. At quite what state they are in at the moment, I will take on notice.

Senator McLUCAS—Who is doing the mapping?

Ms Chadwick—To the best of my knowledge, it is the hydrographer's office.

Senator McLUCAS—What department does that sit in?

Ms Chadwick—The office of the hydrographer; I don't know—

Senator McLUCAS—It is not in Defence?

Ms Chadwick—No.

Senator McLUCAS—I was led to believe at one stage that Defence was to be involved in the mapping of the Prince of Wales Channel and the inner route to Cairns. You are not aware of that?

Ms Chadwick—No.

Senator McLUCAS—I will put the rest of my questions on notice. We have some other questions on water quality, which can also go on notice as well. Thank you very much.

[3.06 p.m.]

CHAIR—We will move on to the next item. Senator Carr has some questions on the environment and whales.

Mr Beale—The Approvals and Wildlife Division covers the Environment Protection and Biodiversity Conservation Act as well as the regulatory aspects of wildlife, so it may well cover the issues that you are interested in.

Senator CARR—Let us look at what is happening with the Otway Basin. As I understand it, there was some seismic exploration conducted in the Otway Basin last December. Is that right, Mr Early?

Mr Early—Yes.

Senator CARR—What was the information Environment Australia was able to gain in that period about cetacean sightings?

Mr Early—There was only one confirmed sighting of blue whales—four, possibly six, individuals—feeding off krill swarms off the coast near Portland on 7 December.

Senator CARR—That is one sighting of six whales?

Mr Early—Four, possibly six.

Senator CARR—That was just off Portland, was it?

Mr Early—Yes, on 7 December. The area that is significant for blue whales in the Otway Basin is the Bonney Coast upwelling. By that stage, all seismic activities within the Bonney Coast upwelling had been completed. The seismic survey that was continuing was more than 25 kilometres away from those sightings.

Senator CARR—I understand that in fact there are only 65 blue whales left in the world. Is that right?

Mr Early—No.

Senator CARR—How many are there?

Mr Early—It is not absolutely clear, but I think the number is somewhere around 5,000 to 6,000.

Senator CARR—How many come into the region in Australia? Would it be 65?

Mr Early—I could not tell you. I can take that on notice. Relatively low numbers have been recorded—I think up to about 80. It is 60 to 80, but I am not sure.

Senator CARR—Within the region. It has been put to me that it is only 65, but I appreciate that that may be a little out. There are not very many, are there?

Mr Early—No.

Senator CARR—A sighting of four to six is in fact significant.

Mr Early—It depends where it is. If it is nowhere near what you are doing, it does not really matter.

Senator CARR—How do you know there were no other whales? I presume you are implying that there were no other whales where you were conducting these tests.

Senator Hill—They have to put their heads up!

Mr Early—No other blue whales were sighted. The historic record suggests it is very unusual for blue whales to be in that area. Most of the sightings of the 60 you talk about are much later in summer.

Senator CARR—But you do not actually know whether or not there are whales in the area where there has been testing?

Mr Early—There were significant efforts made, with constant monitoring and aerial surveillance. Other species of whales were sighted, but there were no blue whales sighted. I cannot say categorically that none were present, obviously.

Senator CARR—You say the sighting was 25 kilometres away from the test areas?

Mr Early—Yes, well outside the area where the whale sighting was.

Senator CARR—Was it 25 kilometres?

Mr Early—The sighting was more than 25 kilometres from where the survey was taking place, yes.

Senator CARR—What sort of range do the departmental guidelines give?

Mr Early—Twenty kilometres.

Senator CARR—So that is five kilometres more, if your measurements were accurate.

Mr Early—The measurements were accurate.

Senator CARR—You know precisely 25 kilometres, do you?

Mr Early—No, I know more than 25 kilometres.

Senator CARR—How many more?

Mr Early—I am not sure, I can find out for you. It was 25 kilometres from the edge of the survey area to where they were sighted, and the survey was some way towards completion. So they were away from the boundary.

Senator CARR—Why do your guidelines restrict testing to 20 kilometres?

Mr Early—They restrict testing from 20 kilometres when whales are present. That is a guideline which is used and, in this case, was met, of course.

Senator CARR—Maybe a few more kilometres outside the 20?

Mr Early—Well, the guidelines say 20—we were more than 25.

Senator CARR—More than 25. We are not going to get an answer on how many more than 25, are we? Why is the figure 20 significant?

Mr Early—The figure 20 is in the guidelines as being a figure that, if whales are more than that distance away, then it is not considered that there will be any significant impact.

Senator CARR—How do you measure that?

Mr Early—It basically comes from discussions with experts in Australia. Those guidelines were developed collaboratively with experts in the industry, according to the information available.

Senator CARR—So it is just scientific advice, is it?

Mr Early—Yes.

Senator CARR—The best available scientific advice?

Mr Early—Yes.

Senator CARR—Fair enough. There was only the one pod of whales seen?

Mr Early—That is right.

Senator CARR—Four to six whales. Were there any other whales seen around that time?

Mr Early—There were other whales, yes, but not blue whales.

Senator CARR—What other whales were seen?

Mr Early—There were sperm whales, humpback whales and pilot whales.

Senator CARR—How many?

Mr Early—I am not sure, but there were a number of sightings.

Senator CARR—There was a range of cetaceans.

Mr Early—Yes, but the area and the timing was not significant for those whales. In fact, when they were within five kilometres, the survey stopped, in accordance with the guidelines.

Senator CARR—How do you know when they are within five kilometres?

Mr Early—We had independent trained cetacean observers on the boats—and aerial surveillance as well.

Senator CARR—Was this through physical sighting?

Mr Early—Yes.

Senator CARR—Does the testing continue at night?

Mr Early—Yes.

Senator CARR—How do you know whether there are whales around the boats at night?

Mr Early—There is also sonar testing and various other types of testing.

Senator CARR—What auditing was undertaken with regard to the petroleum company's activities in the area at that time?

Mr Early—As I said, there were independent cetacean observers on the boats. The company had to put in reports to Environment Australia. We are currently making arrangements to audit some of those seismic activities and that will happen in the next little while.

Senator CARR—Will there be a report soon? When will they be reporting to the department?

Mr Early—They report to the department on a weekly basis, which is part of the conditions of the specified—

Senator CARR—I take it there were no breaches discovered?

Mr Early—No, but, as I said, we are about to embark on an audit of some of the surveys.

Senator CARR—When were these tests actually undertaken? You said you identified a pod of whales on 7 December. When did the tests continue to?

Mr Early—They finished on 19 December.

Senator CARR—As far as you are concerned, you have not breached departmental guidelines?

Mr Early—No.

Senator CARR—And that the approval of the seismic testing in December was not a breach of the guidelines?

Mr Early—No.

Senator CARR—Would you regard this area as a critical habitat?

Mr Early—It is a critical feeding habitat at certain times of the year. Let me define the area we are talking about. The area that is a critical habitat for feeding is much smaller and in fact quite different from the area in which most of the seismic survey occurred.

Senator CARR—So there was no seismic survey work undertaken within the area which you describe as critical habitat?

Mr Early—No, there was no seismic survey after 1 December within the critical area.

Senator CARR—In the critical area, within the critical time?

Mr Early—Yes.

Senator CARR—How much money has been dedicated to the blue whale conservation this financial year?

Mr Early—I am not sure. I would not know that.

Senator CARR—Who knows that?

Mr Tucker—Our primary activity this financial year was the establishment of a blue whale recovery plan. That is a draft recovery plan that we currently have out for consultation. We have got most of that consultation advice back and are in the process of finalising the plan for the minister's consideration.

Senator CARR—How much money did you say was being spent on this?

Mr Tucker—We would have to work that out. It is just part of the work plan of an area that deals with lists of marine species for the purpose of preparing recovery plans for particular species.

Senator CARR—Could you tell me how much money has been spent?

Mr Tucker—I do not have that detail with me. It is part of people's work tasks. I do not have a costing for that task.

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

Mr Tucker—Yes.

Senator CARR—Are you able to tell me what progress has been made in implementing the recovery plan?

Mr Tucker—As I said, it is currently a draft. We are analysing the comments received on that draft material and will be providing the minister with advice to finalise the plan shortly.

Senator CARR—So you are not doing anything at the moment, apart from preparing a draft?

Mr Tucker—That is in relation to the recovery plan. We are also working through the south-east region marine planning process to look at appropriate conservation measures for areas identified as important for the blue whale. One of those is the Bonney upwelling. Through that south-east region marine planning process we will be providing advice to the government on appropriate protection measures for the species.

Senator CARR—Will that include a recommendation on seismic testing?

Mr Tucker—That work is still progressing. We are still in the process of consulting with the various stakeholder groups and will be working in the time line with the National Oceans Office on the south-east region marine plan.. At this stage, I cannot give you the details of the outcome, because we are still in the developmental phase.

Senator CARR—You are happy with the guidelines in terms of your review? Is that part of the processes under discussion?

Mr Tucker—Yes. We have worked jointly with our colleagues in the approvals area and with our stakeholder groups to develop those guidelines—and we are quite satisfied with them.

Senator CARR—You are not proposing to change the guidelines for the 20-kilometre buffer zone?

Mr Tucker—We will always keep the guidelines under review. As further information becomes available, that will always feed into the process. We will work carefully with the stakeholder groups to keep our information knowledge base as up to date as we can.

Senator CARR—Are you reviewing them or not?

Mr Tucker—At this stage, no, we are not reviewing them. As I said, with the information that we collect over time we will always keep these things under review.

Senator CARR—So you are reviewing them?

Mr Tucker—We have no formal process of review at this time.

Senator CARR—Your answers are sometimes a little difficult for me to follow.

Mr Tucker—My apologies.

Senator CARR—When will you be able to give a report to the committee on the implementation, as distinct from the preparation of a draft, of the blue whale recovery plan?

Mr Tucker—That will depend on when the plan is finalised and made—and that will depend on the minister's tabling. I am sorry I am taking you through this, but I must make sure I do not mislead you or the committee.

Senator CARR—You are dead right—I appreciate that. So you are now preparing a draft?

Mr Tucker—No, the draft has been prepared,

Senator CARR—The draft is ready?

Mr Tucker—Yes.

Senator CARR—Where does it sit within the department? Who is actually looking at it?

Mr Tucker—The draft has gone out for public comment and comment from state ministers. We have received most of that comment and it is now back within my part of the

department. We are taking those comments on board. We will put a revised draft to the minister, for his consideration, to make it a final plan.

Senator CARR—When will that go to the minister?

Mr Tucker—It is probably going to happen in the next few months—before the middle of the year is the anticipated time line.

Senator CARR—So mid-year, you will put a draft up to the minister and presumably he will accept it. Will it require any legislative changes? Will it require any other administrative actions to see a recovery plan implemented?

Mr Tucker—No, it requires no administrative changes. Once the minister makes the plan, through the appropriate processes set down in the Environment Protection and Biodiversity Conservation Act, implementation will begin.

Mr Beale—I just want to clarify that it is not a disallowable instrument.

Mr Tucker—I would have to check that.

Mr Beale—I just want to see—

Senator CARR—Absolutely. I thought you were going to be very helpful here for a moment!

Mr Tucker—I will have to take that on notice. I do not believe it to be so, but I will check.

Senator CARR—The point is: does the parliament ever get to look at these issues, or is it all done within the senior levels of government?

Mr Tucker—Recovery plans are usually not disallowable instruments, in my understanding, but I will confirm that for you.

Senator CARR—So you are not really able to tell me how much the blue whale conservation program will spend this financial year?

Mr Tucker—We do not have a blue whale conservation program per se, Senator.

Senator CARR—Oh!

Mr Tucker—We deal with whales, cetaceans and lists of marine species under a number of areas of activity of the department. Some of those involve our international activity—for example, through the International Whaling Commission. Some involve working with our people in the approvals area in terms of proposals coming forward. Some of our resources develop recovery plans—as I mentioned for the blue whales. Some other aspects will be devoted to collecting information. So we have a number of pieces of components of work. For example, the person doing the blue whale recovery plan might be doing the dugong recovery plan or the turtle recovery plan as well. So it is a component of the work of a number of people.

Senator CARR—Will you give me a breakdown on that recovery plan, please?

Mr Tucker—We will do our best.

Senator CARR—Thank you very much for that advice. Going back to the approvals process itself, can you give me an indication of the number of referrals involving offshore seismic operations made to the department in the past financial year?

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

Senator CARR—How many in the Otway Basin?

Mr Early—There were five in the last season. One of those did not go ahead, so there were four.

Senator CARR—How many of them triggered the EPBC Act?

Mr Early—All of the four were not controlled actions because of the specified manner in which they were to be done.

Senator CARR—They did not require approvals?

Mr Early—No, they were not controlled actions because of the specified manner.

Senator CARR—Equally, then, there were no refusals of those four. Were there any other applications made, or any other approaches to the department for seismic testing in the Otway Basin, outside of the processes referred to?

Mr Early—Just for clarification, did I say there were five and that one was withdrawn?

Senator CARR—Yes.

Mr Early—Yes, that is right. Regarding any other applications, no, not as far as I am aware.

Senator CARR—Of those four, were there any conditions placed upon them, even though they did not require formal approval?

Mr Early—Yes, they were not controlled actions because they were being done in a specified manner. That specified manner was set out. Generally speaking, it related to when they could do the seismic surveys—

Senator CARR—So that is time?

Mr Early—and they had to abide by our guidelines in terms of the conditions attached to those guidelines.

Senator CARR—That is location?

Mr Early—Yes—soft start-ups, surveillance and all those kinds of things. The guidelines set out a number of ways in which seismic surveys can be carried out.

Senator CARR—Do each of these projects involve independent cetacean expert monitoring sightings?

Mr Early—The others require cetacean observers. My recollection is that it was only for the last one that we wanted independent observers. The reason is that, with the other three, one was finished on 9 November, another was finished on 23 November and the other on 1 December. So it was less of an issue. The one of 9 November was finished well before there was any prospect of blue whales being anywhere near the area.

Senator CARR—They are the only projects you are aware of that were conducted in the Otway Basin?

Mr Early—That is right.

Senator CARR—Does the department undertake any independent auditing of activity?

Mr Early—We are about to do that. We have an audit area within the Approvals and Wildlife Division. We will be auditing ship records and records of sightings in the next little while.

Senator CARR—Why have you felt it necessary to start independent auditing now?

Mr Early—We are not starting it now. Part of our functions within the division is that we have an audit function for all the projects.

Senator CARR—I appreciate that, but for how long have you been auditing these activities?

Mr Early—We are only just starting, mainly because most of our projects have not yet come to fruition. As you would imagine, most of the approvals are for quite significant activities and often they either have not started or they are only part-way through.

Senator CARR—When did the seismic testing begin?

Mr Early—I am sorry, I have only got the completion dates, not the starting dates.

Senator CARR—You are saying that this seismic testing has occurred only very recently?

Mr Early—There has been seismic testing for generations.

Senator CARR—That is right. That is why I am asking why you are now starting to have an independent audit process of the seismic testing in this particular region, which everyone acknowledges is a critical habitat requiring, I would have thought, careful management by your agency. Why have you only just started to do independent auditing?

Mr Early—Because it is only since the Environment Protection and Biodiversity Conservation Act that this department has had any role whatsoever in seismic surveys.

Senator CARR—Since the enactment of the new legislation?

Mr Early—Yes. Prior to that, we had no involvement. The audit is covering seismic surveys nationally, not just in the Otway Basin.

Senator CARR—There is no other legislative authority to monitor this testing under the previous EP act?

Mr Early—There were no designations under the Environment Protection (Impact of Proposals) Act, which was the act superseded by the EPBC Act. The EPBC Act was the first time the environment department had a role in seismic surveys.

Senator CARR—I notice that, in the minister's letter to the *Australian* on 6 February 2003, he refers to a confirmed sighting of possibly six individuals feeding about 25 kilometres off the coast of Portland—which is a matter we discussed before. He is obviously wrong, isn't he? He obviously meant to say more than 25 kilometres.

Mr Early—The minister was being conservative.

Senator CARR—The minister was being conservative. When it comes to explaining his case, this will be a first. So it is only confirmed. Were there any other sightings which were not confirmed?

Mr Early—There were no sightings—

Senator CARR—That you are aware of?

Mr Early—other than that one, as far as we know.

Senator CARR—That is the only one that has been drawn to your attention?

Mr Early—That is right.

Senator CARR—Turning to the beaked whales—the beachings in Western Australia and South Australia—I understand these coincided with the presence of United States navy vessels. Is that true? Did these events occur with regard to the beaked whales? This is the

stranding and death of 17 beaked whales. Sorry, there have been other occasions, in other parts of the world, which have involved the stranding of whales and which are believed to be connected with the use of sonar from naval vessels. Have you any evidence that the occurrences in Western Australia and South Australia last month were associated with sonar activity?

Mr Tucker—I can answer that question. We followed up that specific issue with our counterparts in the Department of Defence. We received advice that there were no joint US-Australian naval exercises taking place at the time of those strandings, nor were there any Royal Australian Navy ships at sea in the region during that period.

Senator CARR—That is Royal Australian Navy?

Mr Tucker—And there were no joint US-Australian naval exercises at that time.

Senator CARR—There were the US naval vessels in that region at that time.

Mr Tucker—That may be true, but there were no joint exercises. There was not the Royal Australian Navy.

Senator CARR—The use of sonar is not dependent upon joint exercises, is it?

Mr Tucker—For Australian vessels?

Senator CARR—I take it, Minister, that as Minister for Defence you would be able to inform me if that is the case.

Senator Hill—You do not need a joint exercise.

Senator CARR—You do not need a joint exercise to turn on the sonar. I am wondering if Mr Tucker can tell me.

Senator Hill—I have learnt that much!

Senator CARR—I think that is what Mr Tucker was trying to put to me.

Senator Hill—But if you had a joint exercise, you might have more than one sonar.

Senator CARR—Yes, indeed—we would not know who to blame!

Senator Hill—That could be relevant.

Senator CARR—Is that right, Mr Tucker?

Mr Tucker—I am sorry—I missed that.

Senator CARR—My point is this: were there US naval vessels present at the time of these beachings?

Mr Beale—My understanding is that the Department of Defence has advised that it is not aware of any US navy ships which may have been operating in the region at the time. Again, my understanding—although my colleagues might wish to confirm this—is that subsequent medical examinations did not suggest that there was any evidence at all of any damage to the ear structures of the whales that could have been linked to the use of active sonar.

Senator CARR—So as far as the department is concerned, in the investigations you have undertaken there has been no evidence of a connection with the use of sonar and the death of these whales?

Mr Tucker—That is correct.

Senator CARR—Is the Navy required to talk to you about the use of its equipment with regard to the EPBC Act?

Mr Early—Yes, it is—and it does.

Senator CARR—They do?

Senator Hill—On the other side of this equation, I can say that they take that responsibility very seriously and work closely with the environment department on the issue.

Senator CARR—They don't tell you they are going to turn on the sonar—I take it it is not of that nature, is it? What is the nature of the consultation?

Senator Hill—It is to do with the types of systems and the like.

Senator CARR—And the areas in which they can be used?

Senator Hill—Yes, and when they are being used.

Senator CARR—What level of assessment has resulted from these consultations? Are you able to tell me that?

Mr Early—I will have to take that on notice. I know there have been a number, including some which have not proceeded, as a result of that—or at least one.

Senator CARR—Just because they talk to you does not automatically result in a referral, does it?

Mr Early—No, but often it does. Defence are pretty keen to ensure they make referrals.

Senator CARR—How many referrals have there been from Defence?

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

Senator CARR—And also the level of assessment which resulted from those referrals. How often has this occurred?

Mr Forbes—Regarding your question about the number of referrals from Defence, my information is that, up to the end of January, we received 11 referrals from Defence.

Senator CARR—From when until January?

Mr Forbes—From the commencement of the act in July 2002 to the end of January.

Senator CARR—Is that 11 right across the country? What is the region in which those 11 relate to activities?

Mr Forbes—I do not have those details in front of me.

Senator CARR—Do you talk to the United States navy about its use of sonar in Australian waters?

Mr Early—We have not done so.

Senator Hill—Defence does—taking into account advice that is received from Environment Australia on the issue.

Senator CARR—So, in effect, Minister, that information is automatically conveyed to the United States?

Senator Hill—We try to learn from the experiences of elsewhere. As I understand it, the United States navy does not use the questionable form of sonar in our waters. Our Navy, in an effort to ensure it is operating in an environmentally safe way, confers with other navies with which we have a good relationship.

Senator CARR—Does Environment Australia undertake any monitoring of incidents on an international basis concerning the stranding of whales? What processes do you have to

engage other similar agencies about the consequences of the use of the low frequency active sonar?

Mr Tucker—We work with agencies across the globe. We are in regular contact with them when we go to international meetings, for example, and we exchange information. We obviously monitor the media and the web sites other agencies put out. We use a variety of mechanisms to make sure we are fully across what is happening around the world on these matters.

Senator CARR—Thank you.

CHAIR—We will proceed to foxes at this stage.

Senator MURPHY—I would like to ask some questions with regard to the funding provided to Tasmania.

Mr Beale—I do not want to be boring about this, but the fox management programs are in the Natural Heritage Division rather than this division.

CHAIR—We are trying to juggle the attendance of senators, if that is all right, Mr Beale—if we can call the appropriate officers. I am sorry to cause confusion, but that will enable Senator Murphy to ask his questions.

Senator MURPHY—With regard to the money granted, can you explain to me the purpose of that?

Mr Kitchell—My memory is that we provided \$400,000 to the Tasmanian government to assist them with the implementation of their fox action plan, but I do not have the details of that in front of me. Again, my memory is that part of it was for the baiting program and part of it was for their communications and public relations campaign.

Senator MURPHY—With regard to making the grant, you obviously made a decision on the basis of information given to you by the state department. Is that correct?

Mr Kitchell—That is so.

Senator MURPHY—Can you provide me with the outline of the information they provided to you for seeking a grant?

Mr Kitchell—Yes, I am sure we can provide you with that.

Senator MURPHY—What is the process for reporting on the grant?

Mr Kitchell—Every successful applicant for a trust grant has financial reporting obligations. They—in this case, the Tasmanian government—will need to meet those obligations, which include a final report on how the moneys were spent and the results of the work that was funded.

Senator MURPHY—I assume you would be aware that there have been many claims with regard to the evidence that relates to whether or not foxes exist in Tasmania and that there have been claims made as to the number of fox carcasses that have been discovered in the state. Do you do any checking with regard to the validity of these matters?

Mr Kitchell—We have collaborated intensively with Tasmania over it, as have a number of other state agencies from around the country, helping Tasmania with this problem. The Commonwealth has not had officials down there looking at carcasses and checking the results of autopsies that have been done on those carcasses. We have relied on the good offices of the Tasmanian Department of Primary Industry, Water and Environment. As I understand it, some of those autopsies were done outside the department by independent veterinarians.

Senator MURPHY—The autopsies, when it came to analysis of particular parts of stomach content, were done by experts outside the state department. There has never been a forensic autopsy conducted on any of the carcasses. In fact, despite what seem to be continued claims of the existence of two carcasses, I would suggest that there is only one. I would suggest that the Commonwealth might make an inquiry as to the second carcass.

I assume you would also be aware that there has been an extensive baiting program conducted, which has yet to provide any poisoned foxes. I am curious as to the approach being taken by the state department. The reason I ask you about the Commonwealth's approach is that the Commonwealth has had some long-term experience in respect of fox problems elsewhere in this country. I am curious as to the approach being taken by the state department, which seems to me to be a bit back to front. I am curious as to why the Commonwealth is funding a program that seems, in large part, doomed to failure.

Mr Kitchell—I cannot answer for the Tasmanian state agency's approach—

Senator MURPHY—But you can make an assessment.

Mr Kitchell—other than to say that we operated on the basis of advice that was provided to us by Tasmania, experts from state agencies elsewhere in Australia and experts in the field of feral animal control.

Senator MURPHY—Do you have a list of those experts?

Mr Kitchell—I do not have it here, but I attended a workshop in Launceston where those experts provided advice to both the state government and to us on the nature of the control techniques that would be most effective in the Tasmanian circumstances.

Senator MURPHY—Did that include a Mr Bloomfield from Victoria?

Mr Kitchell—Yes, it did.

Senator MURPHY—Are you aware that Mr Bloomfield has been subsequently critical of the approach being taken?

Mr Kitchell—I think I have seen some press reports of what Mr Bloomfield has said from time to time.

Senator MURPHY—I do not want to be unduly critical, because this is a very important issue. If foxes were to become established in Tasmania, it would be a very significant environmental problem. You see, what worries me is that, in taking an approach to eradicate foxes on the assumption that they do exist, we embark upon a baiting program prior to, for instance, having dogs which are supposedly trained to sniff out foxes which have taken a bait and disappeared into the brush or somewhere to die. It is those types of things that I raise as questions about the program, given that we are providing a not insignificant amount of money. Likewise, the state is providing a substantial amount of money. It just seems to me that there are significant questions about the approach being taken.

Mr Kitchell—Again, I cannot answer for the operational conduct of the program. However, as to when the baiting occurred, I know there was significant consideration given to baiting at a time before the breeding season started. It could well have been a factor in Tasmania's consideration that it was more important to bait prior to the breeding season starting, in the absence of the sniffer dogs to which you have referred. I do not know that to be the case, but that could well have been a factor that led to their decision about timeliness of the baiting program.

Senator MURPHY—I think the baiting program started some time after the breeding season may have commenced. Even if they were able to poison some dog foxes, it would be highly unlikely, given the timing, that they would poison any vixens. During the breeding time, foxes are often not known to be great consumers.

Mr Kitchell—They are interested in other things—is that what you are saying?

Senator MURPHY—I suspect that to be the case. I come back to the point that, given that the Commonwealth has provided \$400,000 to this program and that I think there is an obligation with regard to the accuracy of claims being made by those responsible at a state level to justify the attracting of at least Commonwealth funding—I cannot raise the issue of state funding—I think that ought to be able to be substantiated. I find it very concerning that a lot of the so-called evidence to support funding applications simply does not exist, and this is a concern. I want to know whether, at some point in time, the Commonwealth is going to start asking questions about this.

Mr Kitchell—As I said, there is the normal reporting function that any receiver of Natural Heritage Trust money is bound to provide.

Senator MURPHY—That will not go to the question of whether or not the provision of the funding was valid in the first place. I can give you an audit report saying: ‘Yes, we expended the money; we laid 10,000 baits; we did this many ads’ and so on—there is your audit. That would comply with your requirement. Whether or not the expenditure of \$400,000 was justified in the first instance is my point.

Mr Kitchell—The minister clearly thought it was and hence the money was made available. As you indicated previously, whilst the Tasmanian officials could clearly not provide absolute unequivocal 100 per cent certainty that there were foxes in Tasmania, the evidence available was quite compelling. As you indicated, the prospect of there being foxes in Tasmania is such a risky matter, both for the wildlife of Tasmania and for agricultural industries in Tasmania, that it was deemed appropriate to assist Tasmania in their fox action plan.

Senator MURPHY—I accept that the prospect is one of great significance. What I do not accept is that people can actually provide what I would almost deem fraudulent evidence to support a program that is based on very questionable evidence. That is what worries me about the expenditure of \$400,000 of Commonwealth money. That is what I would like to see the Commonwealth investigate. That completes my questions.

Proceedings suspended from 3.50 p.m. to 4.02 p.m.

Senator CARR—Mr Beale, I want to ask about the program that the government has for persuading the South Australian people that a waste dump is a good idea.

Mr Beale—I do not think that that is a matter that falls within this portfolio.

Senator CARR—I appreciate that. I said ‘the government’. I have not said your department yet. McGregor Tan Research was a company contracted by the Department of Industry, Science and Resources originally and now I understand the project has been moved on to the department of education. That was to do with the analysis of public opinion on the national radioactive issues, as they call them. I was wondering whether the department had any consultations with any other government agency about the \$300,000 communications strategy concerning the repository.

Mr Beale—No.

Senator CARR—So you have had no involvement whatsoever in either the selection of the marketing company or in the communications strategy?

Mr Beale—No, not that we are aware of. I should say no—I will say no; I cannot imagine that we would have.

Senator CARR—In the public relations brief, a number of groups were identified that had to be neutralised. That included various environmental groups. Have you had any representations from those environmental groups about the government's public relations campaign with regard to the repository—ACF in particular?

Mr Early—I do not think so.

Mr Beale—Not that I am aware of.

Mr Early—We could have, but they would know that it is not our responsibility.

Senator CARR—Yes, so you would have passed them on immediately to someone else.

Mr Beale—We would have referred them to another department.

Senator CARR—Have you had any representations from Indigenous groups about the repository?

Mr Early—Not as far as I am aware.

Senator CARR—In terms of the production of the environmental assessment, why was there no reference to native title issues?

Mr Early—In what sense?

Senator CARR—In terms of the assessment for the—

Mr Early—What, in the environmental impact statement?

Senator CARR—Yes, in the statement.

Mr Forbes—As I recollect, there is some mention, but I am not quite sure of the context in which you are actually placing the question. Are you putting it in the context of the differences between the sites or generally?

Senator CARR—The sites and generally.

Mr Forbes—From my understanding and recollection of some of the material within the EIS, there is mention of native title. The depth to it is another question which I cannot recall at present.

Senator CARR—The draft EIS makes no mention of Aboriginal land claims, particularly native title matters. Is it not true that all the proposed sites that are under the environmental assessment process are subject to native title claim?

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

Senator CARR—And if so, given the role you are playing in the production of the assessment process, would it not be a reasonable proposition at the assessment process to involve the question of sites covered by native title claims?

Mr Beale—Given that our officers appear not to be aware of that issue being raised, they should take that on notice.

Mr Early—We could.

Senator CARR—I would have thought the question of who actually owns the land on which this dump would be placed would be a significant issue, wouldn't you think? Wouldn't that be a reasonable question to pose in any environmental impact statement?

Mr Early—I guess so, Senator.

Senator CARR—There must be a perfectly reasonable explanation for why you have neglected to cover it, but I am just wondering what it is.

Mr Beale—Let us go back. Our officers are not aware if in fact all of those sites are under claim and, if so, what the status of that claim is and its legal relevance under the act. They have offered to take that question on notice and come back to you. That would help establish its relevance for the purposes of the EPBC.

Senator CARR—That would be helpful to me. Further, could you advise the committee, in the department's judgment, what is the impact of native title claims on any consideration of the proposed sites?

Mr Beale—We can advise the committee on matters that are relevant for the purposes of the EPBC Act.

Senator CARR—Yes, I would have thought it would have an impact.

Mr Beale—The department does not normally talk about matters in its judgment, but we can look at matters that are relevant under the act.

Senator CARR—I want to know what the department thinks about this issue. As I say, there must be perfectly reasonable explanations for why you have acted in the way you have—let us see what they are. With regard to the process itself of the actual assessment, can you outline to the committee what the department's responsibilities are in that regard? What are you required to do?

Mr Early—At this stage—I will not go back to the very beginning—the department is preparing an assessment report for the minister for the environment on which he will make his decision. So that is where we are at the moment. The EIS has now been finalised. We are examining that and other material and providing advice to the minister.

Senator CARR—When will the minister be required to make a decision by? Is there a limit on how long he is to consider your report?

Mr Early—It is 30 days after he receives our report.

Senator CARR—Yes. When did he receive your report?

Mr Early—He has not as yet.

Senator CARR—When is it due to be given to him?

Mr Early—It was actually due to be given to him last Friday and we expect to give it to him perhaps early next week.

Senator CARR—Wasn't there a legal requirement for you to give it to him on Friday?

Mr Early—There was.

Senator CARR—And why didn't you give it to him?

Mr Early—The legal requirement on us was to provide the report to the minister within 30 business days of the final EIS having been accepted by him. He accepted it on 23 December and essentially that created problems for us because of the Christmas-New Year period. The 30 days included the three days between Christmas and New Year when the department was

closed down under its certified agreement. One of our key writers also lost a number of days through the Canberra bushfires. We regret missing the deadline. As you would know from the EPBC annual report, we meet the deadlines in about 90 per cent to 95 per cent of cases. So we treat them very seriously, but we believe that it is more important to get the report correct and accurate in giving the information to the minister. If we are a few days late then that is unfortunate.

Senator CARR—The fact that the minister signed off on this proposal on 23 December has drawn some comment on the actual timing of it, because not only was the date of the 23rd inconvenient for the department but, I would have thought, inconvenient for the rest of the country. Was there any deliberative choice in that date that you are aware of?

Mr Early—No. In fact, the minister dealt with it very quickly. The finalised EIS was presented to him at the end of November, but we had some issues with the final report, which we discussed with DEST, and there were a number of minor changes that had to be made. So the final report was not given to Dr Kemp until 17 December. So he actually signed off on it very quickly on 23 December. So it was just simply a matter of when the final EIS was presented.

Senator CARR—What was the nature of the minor changes that you were seeking from the department of education?

Mr Early—They were clarifications. I cannot remember what they were at this stage.

Senator CARR—Could I have a list of those minor changes that you sought?

Mr Early—Yes.

Mr Forbes—Some, for example, as I recollect, were things like the scale of the maps so people could actually read them, because with some of the presentations the scale was such that I needed a microscope to actually read the things. So I did not believe that others were capable of actually making anything of those maps. So we asked for changes to the scale of maps and things like that.

Senator WONG—Mr Early, you said that you had some minor issues with the DEST report. That needed certain changes to it.

Mr Early—Yes.

Senator WONG—Were there issues raised by EA with DEST that did not result in any changes?

Mr Early—No. We would not have accepted the report if they had not been dealt with.

Senator WONG—So all the changes proposed by EA were accepted by DEST?

Mr Forbes—As I recollect, yes.

Senator CARR—The public comment processes associated with this report that were undertaken last year I think resulted in 667 submissions. How many of those do you anticipate will be published?

Mr Early—I am not sure. They are obviously summarised in the final EIS and quite a number of those were, of course, campaign letters. So I am not sure whether DEST are proposing to publish them or not.

Senator CARR—Is it the normal practice that those sorts of submissions would be published?

Mr Early—I do not think so, but—

Mr Forbes—My understanding is that it is not unusual, but it is not necessarily normal practice.

Senator CARR—Not unusual to suppress the submissions?

Mr Forbes—No, it is not unusual to release them.

Senator CARR—I see, sorry—now it is clearer to me. I was told that the publication known as the *Monitor*, which I understand was part of that \$300,000 PR campaign that had been run by the government back in August, when it called for submissions actually said that all submissions would be treated as public documents unless confidentiality is requested. Are you aware that any of the submissions asked to have confidentiality applied to them?

Mr Forbes—I am not aware, because this is more a question for our colleagues in the department of environment.

Senator CARR—In particular, the Defence submission has been given some publicity, and with the minister here it is very helpful for us to be able to identify some of the issues that it has raised. I was wondering whether the assessment that you sent on to the minister covers the issues that have been of concern to the Department of Defence. Are you able to assist me with that?

Mr Early—Certainly they do, because they were raised in numerous submissions to the environmental impact assessment process.

Senator CARR—So you got to see all the submissions, did you?

Mr Early—I have certainly read all the summaries and we have the submissions, yes.

Senator CARR—So you saw the defence department submission?

Mr Early—There is no defence department submission. There is an information paper, which was the subject of correspondence between departments.

Senator CARR—So a letter. Is that how you would describe it?

Mr Early—Defence describe it as an information paper, so I think I would use those words.

Senator CARR—How would you describe it? Would you call it an information paper?

Senator Hill—Probably. That is a pretty good description.

Senator CARR—Sorry?

Senator Hill—That sounds like a pretty good description.

Senator CARR—A fair description?

Senator Hill—Yes.

Senator CARR—Can you tell me whether or not the defence department was violently opposed to the construction of a radioactive waste dump bordering on a military weapons target range near Woomera? I am quoting directly from the report in the *Australian* on 3 February. Would that be a fair description of the information paper?

Senator Hill—No, I think that is a bit more dramatic than what is the case. The defence department had concerns about site 52A in that it is located on the instrumented range in the Woomera protected area. As I said the other day, it is quite close to the existing repository for

nuclear waste that was set up by the previous Labor Party. I presume Defence at that time expressed the same concerns.

Senator CARR—I would be surprised, because it is a very different project, isn't it?

Senator Hill—It is a different project, but it is nuclear waste. This one is obviously one that is designed to give better protection for the waste than the Labor Party one, which they described as a temporary repository.

Senator CARR—They did.

Senator Hill—I think that it is just stored in drums, as I recall.

Senator CARR—So was the defence department's assertion of the danger of a missile strike something that you took up with the minister for the environment as well? Was it something that you raised with the Minister for Science?

Senator Hill—I discussed the Defence concerns with the Minister for Science, yes.

Senator CARR—Are you aware of the assessment processes coming forward? Have you seen them?

Senator Hill—What do you mean by 'the assessment processes'?

Senator CARR—The assessment processes from the environment department.

Senator Hill—I knew that there was an environmental impact study process taking place under the EPBC Act, yes.

Senator CARR—Have you seen that report from the department of the environment?

Senator Hill—Yes, I read that.

Senator CARR—From the department of the environment?

Senator Hill—The first one?

Senator CARR—The first one.

Senator Hill—DEST—I get confused because this department was DEST.

Senator CARR—I asked the question: was the department of science—you have obviously spoken to Senator McGauran—

Senator Hill—I have spoken to both ministers. The EIS I received and read, that is correct.

Mr Early—But you have not seen—

Senator Hill—I have not seen the environment department response, because it has not yet been—

Mr Early—I have not seen it either.

Senator Hill—delivered to the minister.

Senator CARR—You have not seen it?

Mr Early—It is not finished yet.

Senator CARR—When will it be finished?

Mr Early—That is what I said earlier. We are hoping to give it to the minister by early next week.

Senator CARR—So in the question of missile impacts, are the concerns raised by the defence department considered within that statement?

Mr Early—They will be, yes, because, as I mentioned, they were raised in a number of public submissions in any event.

Senator CARR—Senator Hill, a report in the paper says that Defence officials advised you that the DEST submission was misleading and it failed to adequately consult Defence and misjudged missile impact risks and radiation exposures. Is that true?

Senator Hill—Defence believes that the initial assessment, that which is included in the EIS, understates the risks associated with locating a waste repository on an instrumented range. That is clearly an arguable point. There has been no accident, I am pleased to say, in relation to the Labor Party's repository that is located nearby. There is no doubt that the chances would be very, very slight. However, to further define 'very, very slight' is not an easy thing. You could argue that wherever you locate it there are risks attached to it. Missiles are basically fired in a different direction, but there is still some risk, in our view.

Senator CARR—In fact, there was a missile fired last year that went astray?

Senator Hill—The Japanese—

Senator CARR—The Japanese missile.

Senator Hill—Yes.

Senator CARR—Is that not cause for concern?

Senator Hill—I said to you that there is some risk, in our view. We believe that the EIS was a little too dismissive of that risk.

Senator WONG—Of the risk of accidental impact?

Senator Hill—The risk of some form of accident.

Senator WONG—You said earlier that you regarded the risk, I think, as slight?

Senator Hill—Very, very slight.

Senator WONG—Very, very slight. Is that your assessment or is that the advice from the Department of Defence?

Senator Hill—It is a long time since I have read the information paper from Defence. I am trying to reflect its view. It certainly did not suggest that there was any likelihood about the danger. But they believe that the EIS was a little too dismissive of that possibility.

Senator WONG—Yes, I think we all understand that to be the case. What I am trying to clarify is whether the very, very slight risk is in fact the defence department's advice or whether it is somewhat more than that?

Senator Hill—It is my language, but I do not recall it being more than that.

Senator WONG—When was the information paper prepared?

Senator Hill—It was prepared some months ago. I would need to find out exactly when, and I could check that.

Senator WONG—Will you able to indicate to us at a later stage as to when that was prepared?

Senator Hill—Yes, I can tell you that.

Senator WONG—When did EA first receive this information paper?

Senator Hill—Unless EA has got the date of that—

Mr Early—My recollection is that it was October when we got a copy. The correspondence obviously went from the Department of Defence to the Department of Education, Science and Training and we received a copy.

Senator WONG—Shortly afterwards?

Mr Early—Yes, I think so, probably the same time.

Senator WONG—And you say this is around October last year?

Mr Early—I think so, but I can double check. I will take that on notice, if that is not right.

Senator WONG—I would appreciate it if you would. So the government has been sitting on this advice since October without making it public; is that correct?

Senator Hill—This is an interdepartmental advice; it is not a question of making it public. These are matters that we believed would be of value to EA in its work.

Senator WONG—You don't think it was relevant—

Senator Hill—And we sought to be helpful to EA in its work.

Senator WONG—I am pleased to hear that. You do not think it was relevant when Mr McGauran came down to South Australia and released the supplementary report? It was not relevant to the public of South Australia then to know that the department was sitting on advice from the defence department regarding the likelihood of an accidental missile impact?

Senator Hill—The environment department has not released its assessment.

Senator WONG—No, I appreciate that.

Senator Hill—I have no doubt that it would take into account the views that we have put to it. It may dismiss them—I do not know—but it will take them into account, anyway. I have no doubt it would have considered them in the development of its advice to the minister.

Senator CARR—Mr Early, you indicated earlier in the discussion—

Senator Hill—I do not see a tie between that and Mr McGauran publishing his supplementary statement.

Senator CARR—It is just that I do not recall reading in the summaries of the submissions that were contained in that supplementary statement a reference to the Department of Defence's concern about a missile strike.

Senator Hill—I have to confess that I have not read the supplementary statement that Mr McGauran published.

Senator CARR—Mr Early, am I wrong? Has any reference to the Department of Defence's concerns been made public other than the report in the *Australian* and subsequent reports?

Mr Early—There is no reference in the final EIS to the Department of Defence because it did not put in a submission. But as I said, there are a number of submissions dealing with the same issue. So the issue was certainly not unknown. But the Department of Defence's views were—

Senator CARR—I appreciate the point you make. But when the Department of Defence raises an issue about weapons, I think it fits into a slightly different category from Greenpeace.

Mr Beale—From Mr Early's point of view, his obligation is to take all of the relevant considerations into account in providing advice to our minister. He has advised that he will do that and that one of the matters he always had in mind taking into account was the information paper from the Department of Defence, and we cannot really help you with DEST's publication.

Senator CARR—I appreciate the point you make. But it is just that, Mr Early, you indicated earlier that there were some minor matters that you had to raise with the Department of Education, Science and Training about its submission. That was a submission delivered to you at the end of November and the revised version was re-presented to you on 17 December. Was the issue of weapons strikes—missile strikes—contained within that submission at that time?

Mr Early—The issue was, yes.

Senator CARR—Were the Department of Defence's concerns considered?

Mr Early—The issue was being considered from the very beginning. It was in the draft EIS, it was in the public comments and it was in the final EIS. What was not in any of those documents were the Department of Defence's views, which were not presented as a submission to the process but were presented as interdepartmental correspondence. As Mr Beale has said, we will be taking that into account in our advice to the minister. But in terms of the actual EIS process, Defence did not actually participate in that process.

Senator CARR—I see. But the organisation known as BAE Systems did? That is the company that is contracted by the defence department to provide commercial support to the Woomera village. They did raise these issues.

Mr Early—That is right. BAE Systems made a very substantial public comment, as did the Australian Space Research Institute, plus numerous individuals as well. That is why I said that there has been no secret that this has been an issue.

Senator CARR—They make the comment that the calculations—and this is a reference to what the minister has just said about the previous reference to this issue—concerning the likelihood of an accidental missile or bomb impact are seriously flawed and significantly undermine conclusions drawn concerning the risks associated with site 52A. Was that statement made? Is that an accurate quote of the submission?

Mr Early—I would not say it is exactly, because I cannot recall. But certainly, yes, that would be the gist of what it was saying.

Senator CARR—Will that assessment be part of your assessment to the minister for the environment?

Mr Early—Very much so, absolutely. We have to assess all of the various claims—

Senator CARR—In the department's view, given that you have undertaken this assessment, are the calculations concerning the likelihood of an accidental missile or bomb impact seriously flawed?

Mr Beale—We will provide our advice to the minister next week.

Senator CARR—That answer surprises me, I must say.

Senator CARR—That answer surprises me, I must say. I understand that the Minister for Science is actually considering other sites now. Is that your understanding?

Mr Early—I have no knowledge of that, Senator.

Senator CARR—I am told you should watch the ABC tonight.

Senator Hill—When?

Senator CARR—Tonight. I just wondered whether or not the process did consider all the options—that's all. Is there a possibility that there could be other sites considered for this—

Senator Hill—This was a process that was set up by the previous Labor government. It was designed to provide some objectivity and independence in the assessment of the most suitable sites for this repository. The Labor government of that time was convinced that the repository was in the national interest. We continued that policy, because we thought it was the right thing. It has been working its way through the processes, and the latest step in those processes has been an environmental assessment under the EPBC Act. Advice will be given to the minister next week under that, and his charge is then to determine whether any or all of the three sites that have been considered in this process present an environmental risk. It is the other way around, actually. He has to decide whether there is no significant detrimental environmental consequence that would flow from those particular site locations.

Senator CARR—So it is possible, then, that the dump will not actually go on the 52A site?

Senator Hill—Of course it is possible. There are three being assessed under this process, which were those that were recommended to be assessed.

Senator CARR—And it is therefore also possible that the site will not be one close to a defence establishment—the rocket range?

Senator Hill—I am sorry, I do not understand.

Senator CARR—Is it possible that the dump will not be within the Woomera—

Senator Hill—The instrumented range or the Woomera protected area?

Senator CARR—The protected area.

Senator Hill—Of the three sites, only one of them is in the Woomera protected area, and that is the one that is actually on the instrumented range, which is only a very small part of the whole WPA. That is site 52A.

Senator CARR—We will wait with interest.

Senator ALLISON—I am sorry I was not here, but I understand that the assessment report has not yet been completed but it is due next week; is that correct?

Mr Early—Yes. We should have it early next week, Senator.

Senator ALLISON—And the process from here is that it goes to cabinet; is that correct?

Mr Early—It goes to the minister. The minister has 30 days to make a decision. The minister is required under the act to consult his colleagues who have a—

Senator ALLISON—Sorry, what is that decision the minister makes after 30 days?

Mr Early—As Senator Hill said, he makes a decision in relation to each of the three sites as to whether they are acceptable and, if they are acceptable, under what conditions.

Senator ALLISON—At what point in that process does the EA assessment become a public document?

Mr Early—After the minister has made his decision.

Senator Hill—And the environment minister, in making that decision, takes into consideration the advice and other relevant social or economic factors. That is not necessarily

the end of the process, either, because the advice could be that the three sites are acceptable and that might be accepted by the environment minister. Then, as I understand it, it will be back to the proponent, which is the science minister.

Senator ALLISON—The minister's assessment will take into account the Defence advice letter or whatever it is?

Mr Early—Yes.

Senator CARR—Mr Early, at any point has Environment Australia made any assessment as to whether the supplementary report prepared by DEST was in fact misleading?

Mr Early—We certainly made a recommendation to the minister that the supplementary report, which together with the draft report constitutes the final EIS, was acceptable in raising all the issues that needed to be considered. In accepting the final EIS, if I can put it that way, we certainly did not think it was misleading. If we thought it was misleading, we would not have accepted it.

Senator CARR—Mr Forbes, apart from the tables which were too small to read, were you satisfied with the accuracy of the supplementary report drafted by DEST?

Mr Forbes—We were satisfied that—

Mr Beale—Is it better to say that we were satisfied that the relevant issues were covered and that we at the end of the day have to turn our minds to advising the minister on weighing the different claims that are made by those contributing to the report and then indicating our view—on facts, choices and processes.

Senator CARR—I appreciate that, Mr Beale.

Mr Beale—I think that is the best way of characterising it.

Senator CARR—I understand the way you would like to characterise it. You have now told me on several occasions that you are satisfied that the issues were raised. I would like to know, though, whether or not you, as the expert source of advice, not just to the minister but also to this parliament—given that you have raised the question of going back to the department of education saying that you thought there needed to be some changes between late November and 17 December—were satisfied that the conclusions drawn, based on the covering of the issues, were a reasonable representation of the facts.

Mr Beale—Senator, what I am trying to say is that we have indicated that we would provide advice to the committee on the issues which we asked DEST to address when it revised the report—those minor matters of change. We have also indicated that we will provide our report to the minister. Our report to the minister will become public after the minister has made his decision. At that time all will be clear as to where we based our judgment of both the facts and the analysis that was covered in that report. Mr Early, is that an accurate description of what you said?

Mr Early—Yes, Mr Beale. Senator, basically the purpose of the environmental impact statement is to make sure the minister has sufficient information to make an informed decision, so it is not the case that we have to agree with every EIS before we accept it—otherwise we would not have to do an assessment process afterwards. Basically what we are saying is that they raise all the issues and deal with them, but we might disagree with their conclusions.

Senator CARR—Yes, that is my point.

Mr Beale—Senator, you will find that out—

Senator CARR—In due course.

Mr Beale—In due course.

Senator CARR—I presume this would be an issue that you would expect to be subject to judicial review?

Mr Early—That is certainly a possibility.

Senator CARR—I would have thought that, given the controversial nature of the project, the department would anticipate the possibility that—

Mr Beale—Senator, we always try to make our decisions in a lawful way and a way in which both we and the minister can provide, where it is necessary, statements of reasons.

Senator CARR—Which will stand up in a court of law.

Mr Beale—That is why I think we should be allowed to go through the processes set out under the act of considering all the information before us, providing the advice to the minister and having the minister make his decision. Then the publications as required under the procedures would take place.

Senator CARR—Did you have any representations made to the department from BAE Systems or from the Space Research Institute?

Mr Early—They both made submissions on the draft EIS and we have those submissions.

Senator CARR—Yes, I understand that you have those submissions. Did they make separate representations to you?

Mr Early—Not as far as I am aware.

Senator CARR—Why do you think the question of the health effects of radiation might be outside the scope of the issue of the location of the repository for radioactive waste?

Mr Early—I am not sure that that is the case.

Senator CARR—That is just what the department of education says is the case. That is what it says in the published documents, the supplementary statements. Given that you have given us an assurance now on several occasions that all the issues had been canvassed to your satisfaction—even though you may not agree with the conclusions—I am just wondering whether or not you could explain to us why the health effects of radiation are outside the scope of the issues of the location of a repository for radioactive waste?

Mr Forbes—I think that one of the controlling provisions for the EPBC Act is, in fact, the nuclear action and, as a result, they are issues which will be assessed in our report.

Senator Hill—We had somewhat of a similar debate in relation to assessments of uranium mines as to whether the transport systems of the mine product should be part of the assessment of the mine, whether the whole nuclear non-proliferation environment, Australia's bilateral agreement and so forth, should be part of the assessment. In the end, a judgment has to be made as to how far up and down the chain you go, but that is made by Environment Australia.

Mr Early—There is within the EIS a section on security and health safety, so I am not quite sure—

Senator CARR—I refer you to the department of education's paper—EIS for the national repository, supplementary introduction, chapter 1, page 3. It lists the matters that they regard

as being issues outside the scope of the supplement. I might say that the debate about the health effects of radiation is one of those that is listed there. As I say, given that you have now assured us that all the issues are being canvassed, I would have thought that that might be one that might be appropriate. Equally, the issue of the adequacy of the Commonwealth environmental legislation or its EIS processes might be another matter of interest and concern and relevance to this assessment. But that is another matter that has been excluded by the Department of Education, Science and Training, according to its supplementary submission.

Mr Beale—As I understand it, the EIS and our consideration of it would, in fact, have regard to the established radiological standards for exposure to ionising radiation. It would not be usual to have an EIS under legislation like the EPBC Act that questioned whether it should be happening under an act that was drafted in some different way. We proceed on the basis of the legislation which the parliament has given us. To that extent, the scope of the act is not something that we examine and re-examine at every EIS that we conduct. But certainly the health issues are addressed and covered.

Senator WONG—I think you indicated earlier on that there were some issues raised by your department with DEST regarding the supplementary report; is that correct?

Mr Early—Yes.

Senator WONG—As I understood one of your answers to Senator Carr, you say that the purpose of the EIS is to raise the issues that the minister ought to have regard to in making his or her decision.

Mr Early—Yes.

Senator WONG—You would agree, wouldn't you, that the issue of the defence department's advice regarding the risk associated with siting a dump at 52A is surely a matter that the minister should be aware of when making his decision?

Mr Early—Certainly. In terms of the environmental impact assessment process, the issue of the risks associated with 52A being in the instrumented range is obviously an issue and it was an issue, as I said, in the initial draft EIS as well as in the final EIS.

Senator WONG—But as I understand your evidence today, you have said that your department will specifically be addressing the concerns raised by the defence department in its response. Is that correct?

Mr Early—Yes.

Senator WONG—And that it is appropriate for you to do that, because it is a relevant issue?

Mr Early—Yes.

Senator WONG—Why then was it not appropriate for there to be some reference to it in the supplementary report?

Mr Early—Because Defence did not make a public submission. There is reference to the issues; it is just that the Defence view is not identified. We have had advice from the BRS, we have had advice from a whole range of Commonwealth agencies, which is not necessarily picked up in the EIS. But the matter for us is whether the issues themselves are identified through the EIA process, and they have been.

Senator Hill—The supplementary statement is to give the proponent an opportunity to respond to submissions if the proponent so wishes.

Mr Beale—The submission is made in the course of the process. We were happy after examining the report that it met the purposes of the act. These views of the Department of Defence will be fully considered in our advice to the minister. The risks were already covered in the EIS and our advice will eventually be publicly available.

Mr Early—That is right, yes.

Senator WONG—Yes, I understand that. Was the issue of Defence's advice or information paper raised by your department with DEST prior to the publication of the supplementary report?

Mr Early—No.

Senator WONG—Because did you not think that it was relevant?

Mr Early—Because it was not a submission.

Senator WONG—Because it was not a submission?

Mr Early—Yes.

Senator WONG—And it was sufficient that the contractor raised the issue in the EIS process?

Mr Early—The issue was raised in the draft EIS to begin with. It has always been an issue. The contractor obviously put views, the Australian Space Research Institute put views, lots of other people put views, and DEST responded with a view. We are currently assessing all of those matters and we are taking advice independently from a range of other people to bring all of that together and give our minister advice.

Senator WONG—A range of other people? Who might they be? Outside the department?

Mr Early—Yes, we are undertaking an independent risk analysis of all three sites.

Senator WONG—In relation to what?

Mr Early—In relation to those issues.

Senator WONG—Which issues?

Mr Early—All the issues that have been raised.

Senator WONG—Accidental impact being one of them?

Mr Early—Yes.

Senator WONG—Who are these independent people, or companies?

Mr Early—It is URS.

Senator WONG—What does that stand for?

Mr Forbes—It is an environmental and engineering consulting group.

Senator WONG—What does 'URS' stand for?

Mr Forbes—I do not know. That is their initials.

Mr Beale—It is a very major environmental and engineering consulting group. It operates on a global basis.

Senator WONG—It is so major that none of us—

Mr Beale—It is an expert in risk management assessment.

Mr Forbes—I am not actually sure that ‘URS’ is an acronym, if that is what you are inferring.

Senator WONG—Who else?

Mr Early—A whole range of bodies within government that we would normally consult.

Senator WONG—I thought you referred to independent groups as well. Is there any independent advice being provided from anyone other than URS on these issues as you describe them?

Mr Early—Independent in the sense that they are coming from other sources, yes.

Senator WONG—Correct. Outside of government?

Mr Beale—But this is not a public consultation process.

Senator WONG—No.

Mr Beale—This is our assuring ourselves that we have the expertise and the advice and the skill necessary to inform the minister. So we have gone out and sought this advice.

Senator WONG—Yes, it is most appropriate that you do that. I am not making any criticism; I am trying to clarify who the independent experts are that you are consulting?

Mr Early—URS is the main one.

Senator WONG—And who else is there?

Mr Early—We have sought advice from the Department of Defence, we have sought advice from DEST itself. We are having the Supervising Scientist within our portfolio reviewing the information.

Senator Hill—It is an independent statutory authority.

Mr Early—Yes, and Geoscience Australia has provided advice and BRS has provided advice. So we have a range of qualified advice that we are receiving in order to come up with a considered view.

Senator CARR—And who is advising you on the native title issues?

Mr Early—No-one at this stage.

Senator CARR—I take it that will be rectified.

Mr Early—It may or may not be, depending on whether—

Mr Beale—I said earlier that we will examine the extent to which that is a relevant consideration for the purposes of the act.

Senator CARR—Who owns the land? Would it not immediately jump at you as an issue of relevance?

Mr Early—When the minister for the environment makes a decision under the EPBC Act, that is not sort of full steam ahead. There are a whole lot of other approvals that have to be given as well. What we are doing is that we are giving advice about the environmental situation with regard to the three sites. It will then have to be licensed by ARPANSA, construction and all the rest of it and go through the normal government processes. So if, as I suspect, it turns out that native title is an issue that we do not necessarily need to cover, it will be handled—

Senator CARR—Presumably you will get legal advice on whether or not you need to cover it?

Mr Early—That is right, yes.

Senator CARR—Can I ask you to provide on notice to the committee a list of the independent consultants that you were using as the reference group to check your own expertise.

Mr Early—Certainly. Perhaps I could rephrase it as being people that we have actually consulted, because some of the—

Senator CARR—I know, that you are not paying. I guess there is a series of new questions about how much you paid.

Mr Early—We are not actually paying some of the government agencies anything.

Senator CARR—Yes, ‘independent sources of advice’ might be a better way of putting it. I turn to the waste transport corridors. Have you finalised the waste transport corridors proceedings in these matters? Are they ancillary to this proposal?

Mr Early—They are a part of the proposal.

Senator CARR—You may or may not be aware that I have asked questions with regard to these matters in other portfolios, particularly with regard to Lucas Heights. Have you considered the method of transportation of waste to the proposed site?

Mr Forbes—As part of the EIS process one of the considerations had to be transport and the routes of transport and that was considered within the EIS.

Senator CARR—I take it you regard the proposal essentially as that land transport is the safest. Is that the conclusion that has been drawn?

Mr Early—We would not want to speak about any conclusions at this stage until we have told our minister.

Senator CARR—It is just that I heard the Minister for Science make that statement. Was he prejudging the situation?

Mr Early—He is not sitting in our shoes.

Senator CARR—So he can afford to be free with his opinions.

Mr Early—I cannot afford to be providing my opinions to anyone other than to my minister.

Senator CARR—Has there been a short list of the waste transport corridors prepared?

Mr Forbes—As I recollect, all the possible transport corridors have been identified within the EIS.

Senator CARR—So that will be part of the published report as well?

Mr Early—Yes.

Senator CARR—So within 30 days we can anticipate that?

Mr Early—The published routes are all within the documentation already in terms of the proposed arrangements. Those aspects will be covered by the minister’s decision as well.

Senator CARR—So has there been a short list actually published already? Is that what you are saying?

Mr Early—The EIS has maps of routes and towns through which there will be transportation et cetera.

Senator CARR—With regard to the national store, when do you anticipate a short list for the national store being released?

Mr Early—I have no idea. We are waiting on DEST to finalise that process and come up with the options.

Senator CARR—That is not something that you have any influence over?

Mr Early—No. Once again, I would expect that it would be a referral under the EPBC Act. I would imagine that we would have an involvement at that stage.

Senator CARR—I am told that is likely to come in March. Do you understand that to be the case?

Mr Early—We thought early this year some time. I have not talked to DEST about it for a while, so I am not sure.

Senator WONG—Has your department had any involvement whatsoever in terms of consultation or through a working group with DEST in the listing of the potential sites for the store?

Mr Beale—No.

Senator WONG—Nothing at all? So are you saying that no-one in your department would have any knowledge of which sites are being considered until DEST actually publishes them?

Mr Early—Not to my knowledge. It is possible, I guess, that the Supervising Scientist might have had some involvement, and I can check that, but certainly not within the approvals and wildlife area.

Senator WONG—So there may have been consultation with the Supervising Scientist?

Mr Early—I do not know. I did not want to say no categorically and speak for the whole department when I am not sure.

Senator WONG—Are you able to assist, Mr Beale?

Mr Beale—No, I am not. I have no further information.

Senator CARR—Do you provide any advice on Commonwealth land holdings that might be suitable for a national store?

Mr Early—No.

Senator CARR—So the only time you will come into contact with this whole process is when the EIS is prepared?

Mr Early—That is right.

Senator CARR—Thank you.

CHAIR—Is there anything more for the Approvals and Wildlife Division?

Senator CARR—I have some questions I will put on notice.

Senator ALLISON—I want to raise the issue of the grey-headed flying foxes and the Victorian proposal now under way to capture groups of them for the enclosure at Ivanhoe. Do you have someone able to talk about that?

Mr Early—I am not sure. We might have to take that on notice. We are obviously aware of the proposal and were aware of it in the early stages, but I am not quite sure where it is up to.

Senator ALLISON—Is it possible to say what the Commonwealth's role is with regard to this trial—that is, what sort of monitoring is there and what sort of interest is being shown in it given that they are declared vulnerable?

Mr Early—Could I take that on notice? I am sorry; it is so long ago that it has faded out of my memory and we do not have the people here who deal with that issue particularly.

Senator ALLISON—I should have given you some notice about it. I will put some questions on notice, but the general thrust of them is how satisfied the Commonwealth is with the protection being afforded to those that are captive, and also the arrangements whereby the weak ones are released so we cannot be sure whether they survive and whether they are in fact being endangered by this process.

Mr Early—We can certainly provide that information.

Senator ALLISON—Also, I understand the objectives have been somewhat changed since perhaps the first proposal was put to the Commonwealth. It has now been discovered that something like half of those initially thought to be able to be confined have been confined, so numbers have been drastically reduced. I also have some questions about the accountability for those that are released in terms of where they go, whether they are tagged or not, whether they have microchips or not and so on.

Mr Early—We can provide that to you.

Senator CARR—I would like to talk to the department, the Marine and Water Division, about the revised question concerning the Wentworth Group's comment on the benefit for the Murray River. Mr Tucker, can you help me here? This is question No. 54. The question went to the ministerial council which was discussing the use of water flows in the Murray. The Wentworth Group asserted that even the highest quantity, 1,500 kilolitres, that was being discussed—the approximate equivalent of a 20 per cent reduction in water diverted for irrigation purposes across the southern connected Murray River system—is only given a moderate chance of restoring the Murray to a healthy working state. I ask whether or not the department accepted that comment and, if you did, whether COAG would consider such a proposition? You gave me two answers. Could you tell me why the response was changed?

Mr Tucker—Simply, the first response was prepared by a junior officer who was not aware of the full range of the issues and it was not adequately cleared through the processes. When we subsequently found the error, we informed the committee immediately.

Senator CARR—Junior officers have this capacity, do they not, not to see the full context of their answers? I must say to you that it is still unusual, in my experience, to have these sorts of errors, as you put it, corrected. What was the nature of the error itself, though, that you felt was necessary to be corrected?

Mr Tucker—It was our view that the way we originally prepared the answer did not accurately reflect the scientific opinion that we received and we did not want to be in a position to have potentially misled the committee.

Senator CARR—That is a very dangerous thing. What was the nature of the scientific evidence that you thought was inaccurately reflected in that answer?

Mr Tucker—The scientific evidence we have received—which is also what the Wentworth Group have based their views on—is by an expert reference panel commissioned by the Murray-Darling Basin Commission to give a view on the health of the River Murray and the water that would be required to restore the health of the Murray. That last paragraph in our

first response to you, as I said, in our view, once we re-examined the material, did not accurately represent the views expressed by that particular scientific group.

Senator CARR—I see. So this basically is the last paragraph on the page, which said that the amount of water that is being proposed would lead to a moderate likelihood of achieving a healthy river system? Is that the one?

Mr Tucker—That is the one.

Senator CARR—They were too pessimistic, were they?

Mr Tucker—No, I am not taking issue with what the scientific people have said at all. When we gave you our first answer we used the phrase ‘a long way towards improving’. As I said, when we further examined our response to you we believed that the way we had interpreted and communicated to the committee the views on that was potentially a misrepresentation. We corrected our answer to use the actual language that the expert group had used in that regard, and it used language in regard to probabilities. Its probabilities in regard to that amount is a ‘moderate’ probability. That more accurately reflects its advice.

Senator CARR—When was this error noticed?

Mr Tucker—It was quite shortly after. The note to the chair of the committee was on 14 January. It was again interrupted by the Christmas break; we had people away. But we corrected it as quickly as we could.

Senator CARR—Who noted that the change would be necessary?

Dr O’Connell—I am a deputy commissioner on the Murray-Darling Basin Commission and I noticed that the wording was not quite what I recalled from the commission reports.

Senator CARR—So you drafted the revised question?

Dr O’Connell—No, I just drew attention to the error and the error was then corrected. I said that I thought the error needed to be corrected as quickly as possible and drawn to the attention of the committee.

Senator CARR—So who drafted the correction?

Mr Tucker—It would have been an officer under the direction of the branch head in our Murray-Darling Basin area.

Senator CARR—What, another junior officer?

Mr Tucker—Potentially it was even the same officer, but under direction this time to make sure that—

Senator CARR—That is fair enough. You get a chance to fix your mistakes in this business, don’t you? That is one of the joys of being in the Public Service. It is a bit hard on the officer concerned, though, is it not?

Mr Tucker—They were a little disappointed that they had made such an error, that is correct.

Mr Beale—When we think of the committee we are hard on ourselves, Senator.

Senator CARR—Your heart looms with the prospect of fear, I am sure.

Mr Beale—It was very important that we used the precise words that the scientists had used in describing it.

Dr O'Connell—Our concern was not so much with the junior officer but the fact that we had not cleared it properly or we would have spotted that. So it was our mistake. It would be quite wrong to suggest that—

Senator CARR—So it is really a problem with the management of the department rather than—

Dr O'Connell—No, if the buck stops anywhere, I suggest it might stop with me.

Senator CARR—I see.

Mr Beale—But the committee comes first.

Senator CARR—I am sure it does. So you do not consider this to be a political intervention, do you, Mr Beale?

Mr Beale—I was on leave.

Senator CARR—You were on leave—you are in the best position of all, aren't you?

Dr O'Connell—I can categorically state there was no political intervention whatsoever.

Senator CARR—You were not worried about raising expectations?

Dr O'Connell—No, I was worried about accuracy. When I read the report it was clear it was not accurate.

Senator CARR—Have you had to correct many answers to questions in your time?

Dr O'Connell—No, as a rule we would pick such a thing up on the clearing process, which we normally do quite thoroughly.

Senator CARR—Do the minister's officers check these answers?

Dr O'Connell—The minister's officers would look at answers, but this was not an issue—

Senator CARR—This was not one of those ones that they changed?

Dr O'Connell—This was definitely not a matter that the minister's office had drawn attention to or communicated to me in any way.

Senator CARR—Does the minister's office change many answers?

Dr O'Connell—I am not aware of the estimates issues.

Mr Beale—I do not know. But since time immemorial when you are replying to parliamentary questions it is normal to put those replies through ministerial officers.

Senator CARR—There is an editorial process, is there?

Mr Beale—As I said, in all my many years of many governments that has been the process. But always the thing that guides us is that we must be—

Senator CARR—Absolutely accurate, I know. Should a change as significant as this not have been picked up in the minister's office? Perhaps you are being too harsh on yourself, Dr O'Connell. That is what I am saying. One would normally expect the red pencil to be a little sharper.

Dr O'Connell—I do not think I am being too harsh on myself. It is my job and I should have spotted it.

Senator CARR—Did the minister's office not draw it to your attention?

Dr O'Connell—No, they did not draw it to my attention. But there is no reason to believe they would have been able to access the information to the degree of specificity that we would.

Senator CARR—I suppose at that time of the year they were probably busy as well.

Dr O'Connell—I could not answer that.

Senator CARR—I think I made my point.

Senator WONG—I just have one last question on that, Dr O'Connell. Notwithstanding the revision, of the three options the MDBC is considering, this is the option which would have the best environmental outcome?

Dr O'Connell—I think it is worth emphasising that, quite specifically, these are not three options. These were three reference points for the work of the Murray-Darling Basin in terms of examining what the environmental, social and economic impacts would be and to use as a basis for looking at how you would go about recovering the water. To the degree that they are not defined options with clear outcomes, it would not be correct to point to one and say, 'That is the option which gives you the best outcome.'

Senator WONG—I asked about the best environmental outcome, actually.

Dr O'Connell—Clearly, the more water you have available for environmental uses, the more options you have for managing that water for environmental outcome purposes. That, I think, is taken—

Senator WONG—It is self-evident.

Dr O'Connell—Close to, yes.

Senator WONG—Thank you.

[5.15 p.m.]

CHAIR—The next item is the Natural Heritage Division.

Senator ALLISON—My question is about Natural Heritage Trust funding criteria. It goes to the question of whether cultural heritage projects might not now be included in the funding criteria, particularly since heritage is now defined as part of the environment. That is what the new bill is all about as well. The question is whether it would not be logical to extend them.

Mr Beale—My recollection is that since the legislation was introduced it has always dealt with the natural environment. So to that extent matters that were purely matters of cultural heritage have never been covered by the legislation, going back to 1996.

Senator ALLISON—I know that. The question is: is the government considering including them? Given the fact that there is a 10 to one ratio of applicants to grants that are provided for cultural heritage, is the government considering including this group in that funding?

Mr Beale—No. I am not aware of any proposals to include cultural heritage projects under the natural heritage legislation.

Senator ALLISON—Okay, that is straightforward. What about the establishment of a cultural heritage trust that would sit alongside the Natural Heritage Trust? Has that been considered as an option?

Mr Beale—Again, I am not aware of any proposals at this point to establish a cultural heritage trust.

Senator ALLISON—So the government is not worried about the very high level of unmet need?

Mr Beale—I think one would always be aware that more can be spent on heritage right across the board, but there is no current proposal to establish a cultural heritage trust.

Senator ALLISON—And you think you have got the balance right in terms of spending on environment projects?

Mr Beale—It is not appropriate for me to—

Senator ALLISON—I am happy for Senator Hill to come into this discussion.

Senator Hill—What is the question?

Senator ALLISON—I asked how we are going to fix the problem of huge unmet need on cultural heritage projects and whether we could not expand the Natural Heritage Trust to include criteria on cultural matters. If not, why do we not have a separate stream of funding for those issues comparable to the Natural Heritage Trust Fund stream?

Senator Hill—Perhaps if you would let us sell some more of Telstra we might be able to establish another fund.

Senator ALLISON—Perhaps if you would spend less on private health insurance rebates that would do it, too.

Senator Hill—We had this debate some years ago. Basically, we thought that the urgency of the challenge in relation to the natural heritage was such that it required the highly unusual step of the Commonwealth setting up a very substantial trust in order to better address the damage that was being done and to put in place remedial programs and the like. My view is that that is still the case. There is still a huge and urgent unmet need in that regard. I think the Commonwealth government—you would of course believe this—has made a reasonable contribution in that regard. I do not think it has been adequately complemented by the second tier of government, even though the second tier has the primary constitutional responsibility in a lot of these areas. That is not to say that there is not also a large unmet demand in relation to conservation of cultural heritage. We and others share the responsibility of doing something about it. When I say ‘we and others’, by ‘others’ I mean the states, local government, community organisations and, in the end, individual Australians.

Senator ALLISON—So have you commenced talks with those other levels of government about cultural heritage?

Senator Hill—We have had constant talks over the years with ministerial councils. What states tend to generally do is come along and say, ‘Why doesn’t the Commonwealth spend more money?’ Now that the states are the recipient of the GST—we thank you for your support in that regard—perhaps they now might meet a better share of their responsibility in this regard. We can only hope. If the Australian Democrats and others might seek to apply a little more force on the states in this regard, I think that might be helpful as well.

Senator ALLISON—So there has been no action, essentially, on cultural heritage?

Senator Hill—There is constant action. There is a very significant, important way in which, Senator, you can help. That would be to pass the heritage bill that is before the Senate at the moment to give the Commonwealth some real powers for the first time in this regard.

Senator ALLISON—We have been ready to deal with that bill, as you well know, since halfway through last year, I think.

Senator Hill—That is one interpretation.

Senator ALLISON—Thank you, Chair.

[5.23 p.m.]

Australian Greenhouse Office

CHAIR—We welcome the officers from the Australian Greenhouse Office.

Senator WONG—Mr Beale, could I ask you one question about your role in relation to the Greenhouse Office. Do you have any involvement in the process for the selection of the CEO of the AGO?

Mr Beale—Yes.

Senator WONG—Has that process occurred? Has there been an appointment?

Mr Beale—There has not been an appointment.

Senator WONG—What role do you have?

Mr Beale—Under section 67, I think, of the Public Service Act I must provide a report to the minister responsible before he can make an appointment.

Senator WONG—And have you done so?

Mr Beale—I have provided such a report, yes.

Senator WONG—And when did you provide that?

Mr Beale—I cannot be precise, but recently.

Senator WONG—Are we talking about before Christmas or after Christmas?

Mr Beale—No, quite recently.

Senator WONG—As yet there has been no decision by the minister?

Mr Beale—That is correct.

Senator WONG—Thank you.

Senator McLUCAS—Can I just confirm that questions to do with the Stuart Shale Oil project can fit underneath AGO? Some of them do go to the issue of the budget announcement.

Mr Beale—The Stuart Shale Oil project approvals, in relation to approvals under the EPBC Act and the EPIP Act, relate to Mr Early's division of the department. In relation to the Great Barrier Reef matters, of course, they are related to GBRMPA.

Senator McLUCAS—And the approvals process.

Mr Beale—They are the only real connections that we have—

Senator McLUCAS—If those individuals could stay, that would be very handy.

Senator WONG—We do not want to let Mr Early go yet.

Senator Hill—Shale oil again? We can do that with a smile.

Senator WONG—Can I proceed with the AGO? Mr Bamsey, I understand from Mr Beale's answer that you are still the acting chief executive. Is that right?

Mr Bamsey—That is correct.

Senator WONG—I was not sure, because in the greenhouse newsletter *Summer 2002* you were described as the chief executive. In your editorial note it says ‘Editorial note from the Chief Executive’ and then ‘Howard Bamsey, Chief Executive’. I assume that was an oversight.

Mr Bamsey—I am the acting chief executive.

Senator WONG—I see. On the issue of your providing advice to the minister on appointments, can I just clarify whether or not there is any advertising process prior to such an appointment being made?

Mr Beale—There is no requirement under the legislation for an advertising process. It is a matter of choice.

Senator WONG—Whose choice?

Mr Beale—I guess in this case it would have been my choice in consultation with the minister.

Senator WONG—I am not familiar with a lot of these Public Service requirements, but in this case there has been a decision by the minister and you not to advertise the position externally or internally; is that correct?

Mr Beale—That is correct. This is akin to the appointment of a secretary.

Senator WONG—I appreciate that.

Mr Beale—Those positions are not normally advertised, but it is possible to advertise them.

Senator WONG—So was there any particular selection process at all?

Mr Beale—I have provided my report to the minister, canvassing the appointees that I consider to be appropriate.

Senator WONG—Did you use the plural there advisedly, Mr Beale? You used the term ‘appointees’.

Mr Beale—The plural could always include the singular.

Senator Hill—It is probably not really—

Mr Beale—It is not an appropriate matter to go into in any detail.

Senator WONG—I am not going into any of the details of whom; I specifically stayed away from that.

Mr Beale—The process is simply one where I have to provide a report to the minister, providing any candidate or candidates or any comments in relation to the appointment. The minister then makes a decision under the legislation.

Senator WONG—Do we have any time frame for when that is likely to be finalised?

Mr Beale—No, there is no obligation of time frames in relation to either my report or the minister’s consideration of that report.

Senator WONG—So you are not able to indicate when there might be a decision. I will turn now to greenhouse gas emission projections. There was a question on notice asked of the minister, question No. 1231, in relation to greenhouse gas emission projections. The minister stated in his answer:

Emissions projections are being updated with the next edition planned for late 2003. Draft updated analyses for the stationary energy and fuel production sectors have been provided recently to stakeholders for comment.

Are you able to provide the committee with copies of these draft updated analyses?

Mr Bamsey—Our expert in this field, Ian Carruthers, has just arrived. He is the global expert.

Senator WONG—I shall repeat my question for the benefit of Mr Carruthers. I was referring to a question on notice that the minister answered in December last year in relation to greenhouse gas emissions. There is a reference in it to draft updated analyses for stationary energy and fuel production sectors, and I am asking if you can provide the committee with copies of these analyses.

Mr Carruthers—These are working drafts at the present time which will go to make a composite of the next edition of emissions projections. I think the government is going to release that later this year. Other sectors are also in progress. I think it would be a matter for the minister as to whether he was prepared to release working draft documents to the committee.

Senator WONG—These are documents which have already been provided to stakeholders, though.

Mr Carruthers—For consultation purposes, yes.

Mr Beale—So that would be a relevant consideration for the minister.

Senator WONG—So what do we do now? Do you refer that to the minister for consideration?

Mr Bamsey—We will ask the minister.

Senator WONG—Thank you. Apart from the sectors referred to by the minister in his answer, have there been any draft updated analyses for other sectors? He referred specifically to the stationary energy and fuel production sectors.

Mr Carruthers—That is correct. I think that they are the drafts which are most advanced in terms of the work in process and to my understanding there are no other drafts which are near that point. But progressively over the coming months drafts of other sectors will be produced, and we will go through the consultation process leading to finalisation and announcement by the government as it decides.

Senator WONG—So what sectors are the subject of further draft analyses, other than those we have just discussed?

Mr Carruthers—These follow the standard economic sectoral coverage used in the national greenhouse gas inventory in the emissions projections. As in past editions, it would also cover agriculture, land use change and forestry, waste—as in waste management—and industrial processes.

Senator WONG—How far advanced are the drafts in relation to each of those sectors?

Mr Carruthers—I do not believe there are any drafts on those at the present time. There would be various stages of analytical work going on with technical consultants.

Senator WONG—In relation to the two sectors we have discussed, are you able to indicate what change in greenhouse gas emissions, relative to 1990 and 2000 levels, they disclose?

Mr Carruthers—Of course, they are working drafts so any conclusions to be drawn from them are subject to any variation that might come from that further advice. But the indications from the technical drafts for stationary energy, due to a combination of factors, such as the strong economic growth in Australia over the recent years, are that there will be an upward direction in the projected emissions trends through to the end of the decade. In the case of fugitive emissions, as I recall, there is a projected reduction in the emissions through to the end of the decade. Of course, with each edition of projections—as you might expect—in terms of change, some will go up and some will go down. But to find out what it means for the aggregate picture, you need the full story and the final product.

Senator WONG—I appreciate that. For the stationary energy upward trend you refer to, are you able to give some broad figure as to what we are looking at? Are we looking at a very large percentage increase?

Mr Beale—I took on notice the matter of providing the paper.

Senator WONG—Has there been any consideration, as a result of these draft analyses, of the implications for the government's stated greenhouse gas target?

Mr Carruthers—As with most of these kinds of analytical products underpinning policy assessments and policy judgments, I think the government will await the final complete advice for any future directions.

Senator WONG—Are they consistent with achieving a three per cent reduction? We are now at 111 per cent of 1990 levels and the target is 108 per cent; is that correct?

Mr Bamsey—That was the projection last year.

Senator WONG—Is there any indication whether these draft analyses are consistent with those objectives?

Mr Carruthers—All projections are, by their very nature, projections of the future. They involve a considerable amount of technical judgment and they will, you would expect, vary from edition to edition based on the information current at the time. What the government said in terms of the projections released in August 2002 was that it judged that Australia was within striking distance of the 108 per cent target, and I do not think there is anything to indicate that that broad assessment would change.

Senator WONG—Are you suggesting that the draft analyses do not lead you to a conclusion that that statement is no longer correct?

Mr Carruthers—No, I think in terms of that general interpretation it would stand.

Senator WONG—Has the AGO had much communication with the Business Council of Australia regarding their internal review and discussion process about the Kyoto protocol?

Mr Bamsey—We deal regularly with the Business Council. I have not myself had any detailed discussion with them about their own processes and, to the best of my knowledge, neither has anyone else in the AGO.

Senator WONG—So you have had regular communication with them, but you cannot recall whether you have had any specific discussions about their own internal review of their position in relation to the Kyoto protocol? Am I misunderstanding your answer?

Mr Bamsey—We do as an agency have regular contact with them. In my own case I have had some general discussions with them, in very general terms, about their consideration of

the issue you referred to. I have not had any detailed discussions. It has not been a focus of discussion. I have really had only a mention in passing, I suppose, of those issues.

Senator WONG—Are you able to indicate when these discussions were?

Mr Bamsey—There was one quite recently and another some time ago. It is difficult to be precise. As I said, I am trying to give you a sense of the character of the discussions, and they were very much in passing.

Senator WONG—Earlier this year there were some media reports about the BCA having an internal discussion between those who like the current position and those who might think it ought to be changed. I want to know if that issue has been the subject of communication between the BCA and the AGO.

Mr Bamsey—Apart from those mentions in passing, to the best of my knowledge it has not. If we were to discuss with any organisation their internal processes, then they would be discussions in confidence. But we have not had those discussions in this case.

Mr Beale—Just as a matter of fact, the Business Council did pay a number of senior officials the courtesy of meeting with us and informing us in a very proper way that they were going through this process. But there was no suggestion in that conversation that they thought it would be relevant for us to provide views to them; rather, it was: ‘You should know that we are going through this process. You will read about it in the newspapers and when we have gone through the process we will tell you what the outcome was.’

Senator WONG—And did that occur earlier this year, Mr Beale?

Mr Beale—I cannot recollect whether it was earlier this year or late last year.

Mr Bamsey—I think I had some discussion with officials of the Business Council towards the end of last year. It was mentioned as a background issue that there was some consideration of the Business Council’s position, and at about the same time the media reported that.

Mr Beale—I think it was the very next day that they made a press statement of some sort.

Senator WONG—Has there been any written communication relevant to that discussion—that is, the BCA discussion—between the BCA and the AGO or Environment Australia?

Mr Bamsey—In the case of the AGO, not to my knowledge.

Mr Beale—Not in the case of Environment Australia.

Senator WONG—What about vice versa—that is, from you to them?

Mr Bamsey—No.

Senator WONG—Have you been asked to provide any advice or any assistance to any of the particular protagonists within that discussion?

Mr Bamsey—No.

Senator WONG—Have you been asked to provide any advice to any members of the BCA in relation to this issue?

Mr Bamsey—No.

Senator WONG—What about the Australian Industry Group?

Mr Bamsey—No.

Mr Beale—This is in relation to the BCA’s consideration of its position.

Senator WONG—I am sorry; in relation also to the AIG's own internal discussions as to the Kyoto protocol.

Mr Beale—Again the answer is no.

Senator WONG—There are a number of companies that have been quite vocal in their views about this issue. To your knowledge, has the government been lobbied in relation to the Kyoto protocol ratification by, for example, Alcoa?

Mr Bamsey—I could not say. I have had some discussions with Alcoa representatives from time to time, but I certainly would not describe that as lobbying.

Senator WONG—You have had discussions but it was not lobbying?

Mr Bamsey—No, I would not describe the nature of the discussions I have had with Alcoa representatives as lobbying.

Senator WONG—When did these discussions take place?

Mr Bamsey—Some time ago.

Senator WONG—Last year?

Mr Bamsey—Yes.

Senator WONG—Their position is contra-ratification?

Mr Bamsey—I am not sure that the discussions were in those terms.

Senator WONG—I am only asking about discussions on the issue of the ratification of the Kyoto protocol. What about BHP Billiton? Have there been discussions with you or with your office about that?

Mr Bamsey—Not with me and, to the best of my knowledge, not with AGO people.

Senator WONG—Have you been asked to provide any correspondence to them in relation to this issue?

Mr Bamsey—Not as I recall, no. I do not believe so.

Senator WONG—What about Boral?

Mr Bamsey—No.

Senator WONG—No discussions with them?

Mr Bamsey—No discussions that I am aware of. There may have been discussions on the margins of conferences or meetings, but I do not recall them. If so, they would have been just in passing or maybe a group discussion. I cannot say that I can be absolutely sure that I have not spoken to anybody in Boral and that this issue has not arisen, but I am not aware of any discussion about this issue.

Senator WONG—So has Boral written to you regarding the issue of ratification?

Mr Bamsey—No.

Senator WONG—What about to Mr Beale?

Mr Beale—No, not that I can recall.

Senator WONG—Have you had discussions with Carter Holt Harvey, Mr Bamsey?

Mr Bamsey—I do not believe so.

Senator WONG—You do not recall any correspondence from or to them regarding the issue of ratification?

Mr Bamsey—I do not.

Senator WONG—What about you, Mr Beale?

Mr Beale—No.

Senator WONG—Esso?

Mr Bamsey—Same answer, Senator.

Senator WONG—Mobil?

Mr Bamsey—I do not believe we have had any correspondence from any individual company on the issue of ratification.

Senator WONG—You do not recall any correspondence whatsoever?

Mr Bamsey—I do not.

Senator WONG—There has been no correspondence on the issue of ratification or not of the Kyoto protocol?

Mr Beale—With the exception that some companies who had projects overseas, at the time the government made its decision on ratification, wrote and expressed a view that that was not advantageous to their business interests.

Senator WONG—I am sorry; could you repeat that, Mr Beale?

Mr Beale—I recall correspondence from some companies—in fact, it might have been a company rather than some companies—at the time of the decision to delay consideration of ratification—that is, to not ratify at that time—expressing a concern that this would damage their business interests. But that is the only communication in relatively recent times that I can recall being addressed to me, in relation to ratification, from a company.

Senator WONG—Have you been asked to respond to correspondence regarding this issue addressed to the minister from some of the companies I have mentioned?

Mr Beale—Not that I recall, but that correspondence would go to the Greenhouse Office, not to the department.

Senator WONG—I am happy if you take it on notice, Mr Bamsey.

Mr Bamsey—I will take it on notice. I do not believe so, but I would like to confirm it.

Senator WONG—Perhaps you could find out if you have any correspondence in relation to this issue—that is, the ratification or non-ratification of the Kyoto protocol—from the companies I have mentioned. I will go through them: Alcoa, BHP Billiton, Boral, Carter Holt Harvey, Esso, Mobil, OneSteel, Orica, Rio Tinto, Smorgan Steel, Southern Pacific Petroleum and Woodside.

Mr Bamsey—On the question of whether Australia should or should not ratify the protocol?

Senator WONG—Correct.

Mr Bamsey—We will check that.

Senator WONG—I understand that the BCA and the Minerals Council of Australia have commissioned Alan Oxley to produce a report on the impact of opportunities for Australian business in relation to the ratification of the Kyoto protocol. That has been reported in the

Financial Review. In fact, I understand there is a draft report on the web site. Has the government been provided with a copy of the Oxley report, either in final version or draft version, to your knowledge?

Mr Bamsey—No, in the AGO we have not. To the best of my knowledge it is not yet in final form.

Senator WONG—So you are aware of this draft report?

Mr Bamsey—I have seen the press reports.

Senator WONG—The AGO have not been provided with a copy of the draft?

Mr Bamsey—No, we have not.

Senator WONG—Are you aware as to whether or not the government has been provided with a copy of the draft?

Mr Bamsey—Not to my knowledge. Since we do not have one, I would be surprised if someone else in the government did.

Senator WONG—Has the AGO considered what response the government might make if the BCA altered its position to one that supported ratification? Is that an issue that you have addressed?

Mr Bamsey—No, we have not.

Senator WONG—Have you been asked to address or consider that?

Mr Bamsey—No, we have not.

Senator WONG—Do you have any knowledge of when either of the reviews are likely to be completed—that is, the AIG and the BCA internal reviews?

Mr Bamsey—No, Senator.

Senator WONG—Can I turn now to Mr Smith's independent review of your office? When was that formally released?

Mr Bamsey—I believe it is on the Environment Australia web site. My recollection is that it was about 10 days ago.

Senator WONG—Does a posting on 4 February accord with your—

Mr Bamsey—That would be correct, I think.

Senator WONG—And are you aware of an FOI request in relation to this report which was received by your office?

Mr Bamsey—I was just checking, Senator. I believe that Environment Australia received an FOI request. We did not.

Senator WONG—Mr Beale, did Environment Australia receive an FOI request in relation to the Smith report?

Mr Beale—I am just reading my brief.

Senator WONG—I am happy to wait.

Mr Bamsey—If I may correct what I just said, I understand that we did receive the request but we referred it to Environment Australia, which had provided it to Mr Smith's secretariat.

Senator WONG—Perhaps we will just wait for Mr Beale's answer.

Mr Beale—I have a recollection of an FOI report. There is nothing in my brief on specific items of correspondence. Certainly Mr Bamsey is correct that the report of the independent review is available now on our web site. It is perhaps a week that that has been available. I am not aware as to whether or not the report has been provided at the same time to whoever requested it under the FOI.

Senator WONG—I am interested in when the FOI request was actually received by the AGO.

Mr Beale—We understand that there have been FOI requests from two organisations. They are still going through the process; perhaps if they were to look on the web site they could find the report.

Senator WONG—I understand that the report is available. My question is about the timing of the receipt of the FOI request by the AGO in relation to the Smith report. Mr Bamsey, I am happy for you to take this on notice if you are not able to—

Mr Bamsey—We will take it on notice, Senator.

Senator WONG—I appreciate that you cannot recall the date, but was the process that the request went to you, Mr Bamsey, as acting chief executive of the AGO and then was referred to Mr Beale, or vice versa?

Mr Bamsey—I understand, Senator, that it came to us—to the AGO—but we referred the request to the Department of the Environment and Heritage. I think we should take that on notice as well, because it may be that the request came simultaneously to AGO and EA. In any case, we referred our request to them.

Senator WONG—Why is that, Mr Bamsey?

Mr Bamsey—We were the agency being reviewed. Environment Australia provided the secretariat to the reviewer.

Senator WONG—So the review was actually commissioned by your department, Mr Beale? Is that right?

Mr Beale—Commissioned by the government, Senator.

Senator WONG—Who paid for it?

Mr Beale—We believe the department paid for it. I will correct that if it is not the case. It was a very modest amount, I understand.

Senator WONG—I wonder if you could let us know how much it was.

Mr Beale—Yes.

Senator WONG—The copy I have, which I have from the web site, is dated June 2002.

Mr Beale—That would be correct.

Senator WONG—And it was released in February 2003. Can you explain to the committee why there was such a delay in its release?

Mr Beale—The government was of the view that it did not wish to release the report until it had considered its recommendations and made a decision in relation to perhaps its principal recommendation, which was that the AGO should be abolished as a separate agency and absorbed into a department of state. The government took that decision earlier this year—not very long ago. It was not earlier this year; it was right at the end of last year. It was the day I

went on leave. I can recall it. I got a letter indicating what the outcome was. I think Mr Bamsey conveyed that to his staff in early January—3 January.

Mr Bamsey—Soon afterwards.

Senator WONG—The outcome being that the government did not accept that recommendation which said you should no longer be the executive agency?

Mr Beale—Yes. That is the principal outcome—that the AGO would continue as an independent executive agency within the Environment and Heritage portfolio but with enhanced consultation arrangements with the Department of Industry, Tourism and Resources.

Senator WONG—I want to come to that in a minute in a bit more detail. Can I just clarify: I think we have ascertained the posting of the report on the web site was some time in early February. Was that the first time it was made public?

Mr Beale—Yes, I believe it was.

Senator WONG—And the government decision that you have referred to I think was made in December regarding that particular recommendation?

Mr Beale—It was made, as I said, on 24 December.

Senator WONG—A date that is clear in your mind, Mr Beale?

Mr Beale—Yes.

Senator WONG—And was that made public?

Mr Beale—No, it was not, but it was made public with the release of the report at the end of January or early February.

Senator WONG—In the government's response to that particular recommendation, which you have described, does the government indicate any other view regarding the other aspects of the Smith recommendation?

Mr Beale—I think the principal conclusions that the government has reached are that the AGO should retain its focus as a separate agency responsible for coordinating greenhouse matters, that it will continue to be responsible to the Minister for Environment and Heritage under the Public Service Act and the financial management act as an executive agency, and that it is responsible for the new working arrangements between the ministers for environment and heritage and tourism and resources to see that in practice the work of the AGO is closely coordinated and oversighted by both ministers to really emphasise the whole-of-government nature of these greenhouse issues.

Senator WONG—There are two things I want to ask about that. The first is that there are a number of recommendations made in the Smith report. You indicated the government's response to one of them, which is whether or not the AGO should be maintained as an executive agency. Has the government indicated its response to any of the other recommendations?

Mr Beale—I will have to take that on notice. I am not sure whether there has been a formal response to each and every one of 10 or 12 recommendations, but certainly on that principal recommendation there has been.

Senator WONG—And could you also perhaps indicate, if the government's response to those recommendations has not been forthcoming, if there is any likely time line as to when that might occur? One of the things that you referred to, Mr Beale, was that the government's

view is that the AGO should be retained as an executive agency but there should be enhanced consultation with DEST.

Mr Beale—No, DITR—the Department of Industry, Tourism and Resources.

Senator WONG—Was that to do with some industry concerns about the role of the AGO?

Mr Bamsey—I am not sure exactly why that was part of the government's decision, but the effect of it was to reinforce, confirm—formalise, if you like—the habits of cooperation between the AGO and the industry department, which have been well established for some time.

Senator WONG—But there have been occasions, haven't there, where the AGO's view about, for example, Kyoto or the importance of that particular ratification might have differed from the advice that industry was providing. You do not always come up with the same advice, do you?

Mr Bamsey—We have not always made exactly the same assessment of issues in the past. I should say, though, on that first issue that you mentioned, that we did not have a view. That is a policy issue.

Senator WONG—Correct.

Mr Bamsey—But in terms of our advice, I am not aware of any division or difference between our view and the industry department's in general. I am aware that in many cases our views have corresponded. We work so closely that in most cases it is very difficult to say that there are two different views. What I am saying is that we reach conclusions by a process of discussion with one another so that it is difficult to separate what our view would be from theirs. But it is always possible that we reach different conclusions and that remains the case.

Senator Hill—It also reinforces the point that much of the government's response in this country has been to encourage the adoption of better practice, basically—greater energy efficiency on the part of industry. Some of the government's response has been a regulatory response but most has been that voluntary approach and this reinforces the need for cooperation and support from industry if we are to achieve the outcomes that we are seeking.

Mr Bamsey—Could I add, too, that our mandate is to act as a whole-of-government agency and this assists us in doing that.

Senator WONG—What do these enhanced consultation mechanisms actually manifest as? Did you get your advice signed off by industry? Is that how it works?

Mr Bamsey—We would be reporting the details to be discussed between the two ministers, but we will be reporting to both ministers on many issues. Our practice at the moment is to provide information to both ministers.

Senator WONG—So you now will report both to the industry minister and the environment minister? Is that how it works?

Mr Bamsey—That is how we expect it will work. The ministers themselves will need to make decisions about the details, but we expect to be working to both ministers.

Senator WONG—How do you work to both ministers?

Mr Bamsey—There are some additional steps in providing advice, but essentially, if we are preparing a submission, we will send it to both ministers and we will discuss it with both ministers if they wish.

Senator WONG—And is there a sign-off required at the department level as well?

Mr Bamsey—No.

Senator WONG—Does it go straight from you?

Mr Bamsey—No. As a matter of course we will discuss with the industry department most issues that we bring to the industry minister, just as, as a matter of course, to the extent that they wish, we will discuss with the environment department issues that we bring to the environment minister.

Senator WONG—So previously you reported directly to the minister for environment; correct?

Mr Bamsey—Yes.

Senator WONG—And you did not report, other than via that minister, to the minister for industry?

Senator Hill—In my mind we have to report to a committee of ministers. Governance included the agricultural minister, the transport minister, the industry minister, the environment minister and the forestry minister. If anything, certainly this is a much more streamlined process than existed when I was environment minister.

Senator WONG—Who were you previously responsible to?

Mr Bamsey—We were previously responsible to the environment minister.

Senator WONG—And who are you going to be responsible to now?

Mr Bamsey—We are formally responsible to the environment minister as an executive agency, but we will work closely with the industry department and we will report as well to the industry minister.

Mr Beale—Can I just put this in context? The two ministers co-chair the formal arrangements—consultation arrangements—with industry through the forward strategy roundtable and Mr Paterson, the secretary of the department of industry, and I formally co-chair the secretaries committee on greenhouse and the Commonwealth-state committee on greenhouse matters, a high-level group on greenhouse. This is an arrangement that reflects the arrangement that I have with my colleague in Agriculture, where we co-chair the Natural Resource Management Standing Committee with the states.

Senator WONG—But you do not report to the minister for agriculture as well, do you?

Mr Beale—On some matters we do. On some matters we have the Natural Heritage Trust ministerial board.

Senator WONG—Things that are in his portfolio are required to be reported through that process—

Mr Beale—Both ministers make this choice. This is part of developing joined-up government responses on these issues.

Senator WONG—Yes, I appreciate that. It seems to me that there has been quite a significant change in the role of the Greenhouse Office if really what Mr Bamsey is telling me is that you now report to both ministers.

Mr Beale—As Senator Hill indicated, under the previous arrangements every minute that went on these decision matters went not to two ministers but to, I think, five ministers.

Mr Carruthers—Seven ministers.

Mr Beale—Seven ministers, I am advised. In that regard, as Senator Hill said, it is a considerable streamlining from the times when he was minister.

Senator WONG—Can I just clarify that. When you say that the advice went to seven ministers, in what context was that?

Mr Bamsey—That was when there was a ministerial committee on greenhouse.

Senator WONG—When did that finish?

Mr Bamsey—About a year ago.

Senator WONG—So for the last year I have been reporting directly to the minister for the environment.

Mr Bamsey—That is correct.

Senator WONG—And you are now reporting, as a result of this government's response to the Smith report, to both the minister for the environment and the minister for industry.

Mr Bamsey—That is correct. We also are a participant in the process of reporting to the sustainable environment committee of cabinet. So that is part of our reporting responsibility as we see it.

CHAIR—For the benefit of anybody watching these proceedings around the House, we are proposing not to break for dinner but to just keep going. We hope to be finished by about 7 o'clock.

Mr Beale—That is a fortuitous time.

Senator ALLISON—Can I ask a question about staffing at the AGO. Is there an up-to-date schedule of how many staff are now employed in the agencies? Can we have that compared with the numbers when it was first set up?

Mr Bamsey—We will certainly provide those details with precision. My recollection is that last time I asked the total was 180.

Senator ALLISON—What was it when it was first set up?

Mr Bamsey—I cannot answer that, again, precisely. But, on first establishment, a good deal smaller. My recollection—I was not there; it was five years ago—is that it was about 80 at the time, but always with a view to expanding as programs got under way.

Senator ALLISON—Could I ask some questions about the audit of Tenant Light and Power energy use for agencies. Has the AGO has been following up the very different outcomes for different agencies? I am particularly interested in Environment and Heritage being the second worst performing department, with only a 9.4 per cent reduction?

Senator Hill—It is what?

Senator ALLISON—The second worst performing agency?

Senator Hill—In what regard?

Senator ALLISON—Energy use.

Senator Hill—The whole department?

Senator ALLISON—Yes.

Senator Hill—That is terrible.

Mr Anderson—Like a lot of those audit reports you have to take them in a particular context. In fact, we have a very exemplary record in terms of energy performance. We are a member of the Greenhouse Challenge. We have an environmental management system certified under the ISO standards. We actually won an award for the best performance for light in a tenancy recently, so I am not quite sure of the context of that audit report. We saw an earlier draft and I think the only failing we had at the time was that we had not formally reported to the minister as required. We had reported to the minister through our annual report but not formally in a separate sort of minute.

Senator ALLISON—I have the National Audit Office's follow-up audit—Audit Report No. 24 of 20 December. So it is up to the minute.

Mr Anderson—In terms of our energy performance, we are 44 per cent below the Commonwealth energy target of 10,000 millijoules per person per annum. So our actual energy performance is quite exemplary. We had a further five per cent reduction in our tenant light power consumption. As I said, we were a bit tardy in our formal reporting to the minister but not in our actual energy performance as such.

Senator ALLISON—My question was really more one for the AGO in its role in encouraging agencies to do better—if it has a role. I am not sure how this works.

Mr Shevlin—The Department of Industry, Tourism and Resources is actually responsible for the overall reporting that you refer to, so I cannot actually comment on the individual numbers that you have there. But the Australian Greenhouse Office does have a role in working with Commonwealth agencies to assist them in increasing their energy efficiency. We look at the reports that come in and then use that to target our involvement with other agencies in trying to assist them to discover where they can generate some efficiencies and then implement the necessary actions. Obviously, there is a large number of agencies so we cannot work with everyone individually at the same time, but we are focusing on that at the moment.

Senator ALLISON—The CSIRO does best, of course, with a 58.4 per cent reduction. Do we know what CSIRO does that other agencies should emulate?

Mr Shevlin—I could not answer on the detail of that. We could take that on notice, if you like. I note that the last energy report does indicate that overall the Commonwealth has met all of its targets now relating to the Commonwealth energy policy—basically, a 25 per cent reduction in energy use between 1992 and 2002-03. Overall it has been achieved, but we know that a large number of individual agencies are not there yet and they are the ones we will be working with.

Mr Beale—If we are talking about the department of environment, it is worth while remembering that that includes the Antarctic Division, which is by its nature a huge energy user, and national parks, which—

Senator Hill—They are putting in wind power.

Mr Beale—They are putting in wind power. But, even so, they do require a lot of energy to stay alive—

Senator ALLISON—That probably means there are more opportunities for reducing energy consumption.

Mr Beale—National Parks effectively runs two towns and the Bureau of Meteorology runs a 24-hour operation right around Australia. In terms of the efficiency of the environment department's activities—that is outcome 1, if you like, at the environment core of the

department—I would find a bad energy outcome surprising because we have won a number of awards for energy efficiency of our built operations and we have regularly achieved our Greenhouse Challenge targets.

Senator ALLISON—It is worth looking at the comparative schedule, because in 1997-98 the Department of the Environment and Heritage had far lower consumption than most other agencies. It is the case that CSIRO dropped its energy consumption by 58.4 per cent—a figure that is still higher than the current examples from this agency. I am not sure that saying they use a lot of energy is really a useful argument in these circumstances.

Senator Hill—Rather than speculate on it, I think it would be better if Mr Beale took it away and gave a considered response to your question.

Mr Beale—I would like to do that.

Senator ALLISON—It was said in the report that only one agency has fully implemented recommendation 2, that departments give a clear indication of how agencies will comply with the energy policy of the earlier ANAO report. Is the AGO chasing up agencies or is it not its responsibility to do that? To implement recommendation 2 seems very sensible, in terms of agencies showing how they will comply?

Mr Shevlin—I would like to take that on notice, but it is my understanding that you are referring to a recommendation of the ANAO and then whether organisations had responded to that recommendation. So it was not actually one of the AGO's or even one coming out of the energy policy. As I understand it, it was rather an ANAO recommendation. But we can take that on notice.

Senator ALLISON—Was it a recommendation that the AGO supported?

Mr Shevlin—I cannot recall. I can take that on notice.

Senator ALLISON—I am not sure who responds to those ANAO reports when there are recommendations. Does the government look at them and provide a response?

Senator Hill—Yes, that is the normal thing.

Senator ALLISON—Has there been a response in this case?

Senator Hill—I do not know. We will have a look at it.

Senator ALLISON—It sounds like a very early report.

Mr Beale—If it came out on 20 December.

Senator Hill—I do not normally respond that quickly.

Senator ALLISON—No, it is the earlier report. This is a follow-up report. I do not have the date with me of the earlier report. It recommends that departments give a clear indication of how they will comply with energy policy. It is a recommendation that the departments should indicate how they will achieve the energy policy, as I understand it.

Senator Hill—And you want to know whether that is monitored by the AGO?

Senator ALLISON—Yes. Or if the government has made an official response to that; if not, why not and, if so, were the departments told to do that and does the AGO have a role in all of that?

Senator Hill—Certainly, the AGO has a role in trying to encourage and support agencies in adopting better greenhouse practices, but whether it is specifically following that recommendation I do not know. We will check.

Senator ALLISON—Thank you. I have some questions about MRET. Do I have time to do that?

CHAIR—Do you want to do your questions and we can come back.

Senator ALLISON—Yes. My questions relate to the delay in the start-up of the review. Can an explanation be given for why that is the case?

Dr Wright—We have sought input into the terms of reference for the review and, although the input was requested in the week before Christmas, we had some 80 submissions, which is a significant number. So we have been working to develop terms of reference that could go to the minister and the review panel. We are only just in a position where we can put forward proposals on what should be in the terms of reference. It has been a considerable body of work and it shows the interest in the review. We would expect that the review would commence in the near future, but it has taken us a bit longer than we expected, because of the interest.

Senator ALLISON—So do we have an estimated date on which the terms of reference will be released?

Dr Wright—Not at the moment, but the minister has made a commitment that the review will be conducted in a timely manner, so we would expect that it would not be very long.

Senator ALLISON—Do we know who is going to be on the review panel?

Dr Wright—Not at the moment.

Senator ALLISON—What is the process for determining that?

Dr Wright—The process is with the minister.

Senator ALLISON—So the minister just makes up his mind about who it should be or do you make recommendations to him? How does it work?

Dr Wright—It is with the minister.

Senator ALLISON—You have already made recommendations and they are with the minister?

Dr Wright—We have not made recommendations with the minister. The minister seeks views from a range of sources.

Senator ALLISON—Okay.

Dr Wright—We have provided some input, but certainly no recommendations.

Senator ALLISON—Of course, the Parer review recommended abandoning MRET. I think that the government has announced that it does not accept that recommendation. Will the review look at that question and that recommendation?

Dr Wright—It will be one of the factors taken into account in the review.

Senator ALLISON—It will? So it will definitely be part of the terms of reference?

Dr Wright—Not specifically in those terms, but the terms of reference, as I said, are yet to be finalised. The government is conducting a separate process with a business dialogue to consult widely with industry and the Parer review will be considered through a COAG process. So it will not be specifically only considered under the MRET review but in a range of fora with broad consultation.

Senator ALLISON—The AGO is probably not the agency to ask, but was the sustainable environment committee dealt with earlier? That was a recommendation of the Smith report. Is that something that is under way?

Mr Beale—In fact, it is the secretaries greenhouse committee. That recommendation really confirmed an existing practice. There is a committee comprising the secretaries of Industry and Environment as co-chairs, Treasury, Prime Minister, Foreign Affairs, Agriculture, Transport, Science and Technology, and the department of finance.

Senator ALLISON—So why would the report make that recommendation if it is happening anyway?

Mr Beale—The report talked about it being a sustainable environment committee, which was somewhat perhaps broader, but there are existing processes in place under the Cabinet Committee on Sustainable Environment and we decided to continue with the greenhouse committee, which deals with all of the greenhouse issues. It confirms an arrangement that, as I said, we have had—in practice—in place for quite some years.

Senator ALLISON—And would you expand the membership of that committee?

Mr Beale—No. In fact, the membership covers all the relevant economic departments and industry departments and science departments. It is a very effective committee.

Senator ALLISON—So you will not expand it.

Mr Beale—No.

Senator ALLISON—I understand that the government, according to the Prime Minister's remarks, is preparing what is called a long-term forward strategy on climate change. I think that one of the Smith review recommendations was to that effect and that it should be the AGO that would develop that strategic framework for Commonwealth action. Is that proceeding?

Mr Beale—Yes. Effectively, that recommendation—remembering that the Smith report was some little time ago—was caught up and it is effectively being implemented through the government's forward climate strategy, which was announced in August, a couple of months after the Smith report was provided. That is coordinated by the two ministers, the ministers for industry and environment. There is an industry component. The secretaries committee, which the secretary for industry and I co-chair, supports it at the most senior level and then the AGO supports the secretaries committee but working hand in hand with all of the other departments as a whole-of-government secretariat and advice source. Then, in turn, Mr Paterson and I chair the high-level group on greenhouse with the states so that we can try to get these three streams of Commonwealth, industry and states coming together to provide advice to the government.

Senator ALLISON—So industry is there at the table but not conservation groups, for instance?

Mr Beale—Yes, I am sorry, I have neglected to indicate that the National Environment Consultative Forum has also had two very valuable meetings with the minister so far, and Mr Bamsey or Mr Carruthers might remind me about future processes.

Mr Bamsey—At present, as I understand it, with some logistical assistance from the AGO, conservation groups are carrying out their own consultation process to assist them to contribute to the development of the strategy. So in parallel with business groups who are meeting in working groups, conservation groups are also meeting to make a contribution.

Senator ALLISON—So they are satisfied with this arrangement?

Mr Bamsey—I believe so. I discussed the deals with them before Christmas, but to the best of my knowledge they were happy with the arrangements that we had made.

Senator ALLISON—So will they get to see the climate change forward strategy at the same time as the industry group that meets?

Mr Bamsey—The idea is that the work that they do will be a contribution towards the development of a strategy.

Senator ALLISON—So is that the idea for industry as well?

Mr Bamsey—Yes.

Mr Beale—Yes.

Senator ALLISON—So there is no difference in terms of the relationship between conservation groups and others.

Mr Bamsey—No. There are some differences in the way things work. As I mentioned, industry are working in working groups, but the processes are parallel. Indeed, there was a discussion with Dr Kemp earlier last year, before the strategy process was launched, in which conservation groups' views on climate change mechanisms to achieve reductions in greenhouse gas emissions were canvassed in some detail. They made a presentation to the minister.

Senator ALLISON—When do you expect a draft strategy to be complete?

Mr Bamsey—The expectation is that in the middle of the year—and I appreciate that is a fairly vague term; but in the period April to June—there will be a number of stages in which the strategy will be developed.

Senator ALLISON—Will the draft be a public document?

Mr Bamsey—I do not think we have got to the stage yet where ministers have made any decision about the format of—

Senator ALLISON—So what is the process? Somewhere between April and June a draft strategy will be developed?

Mr Bamsey—The process at this stage is that we expect that the consultations that are going on in the business community and amongst conservation groups and also consultations that we have with the states and territories will conclude at about the end of March and April and the government will then review the contributions that it has received and will develop a strategy as a result of those consultations. Mr Carruthers may want to add a bit more precision to the timetable.

Mr Carruthers—I do not think I have really got anything more to add there. In terms of the thrust of your question, I think the answers given by Mr Bamsey indicate that there are some matters of process that I would imagine ministers will consider in deciding the specifics of those, but they have not reached that point yet or made any announcements about that.

Senator ALLISON—Is it too early to say what the relationship will be between the forward strategy and the current strategy?

Mr Beale—It is too early.

Senator ALLISON—What about the recommendations of the Parer report about a domestic emissions trading system?

Mr Beale—Those will be addressed through the greenhouse strategy process. We should also mention the Prime Minister's task force on energy, which of course is another parallel thread of developing a sustainable energy policy overall. But the initial point where the Parer greenhouse recommendations will be addressed is through the secretaries committee and through the high-level group, with the states. I am sure the industry consultations will express views about it as well. I emphasise that we are trying to keep these threads close together, with each aware of where developments are going.

Senator ALLISON—Industry has been largely opposed to the concept of a domestic emissions trading system, I think it is fair to say. Is there any sign of a shift in that department?

Mr Beale—I think it would probably be a bit oversimplistic to say industry has been opposed. Some segments of industry place an emphasis on market instruments, of which emissions trading is one, and some support it very strongly. Others do oppose it. It will be interesting to see if the industry channel of consultation comes out with a common view or a set of views on that issue.

Senator ALLISON—It will be interesting to see if the government comes out with a different view on it, too. What about subsurface sequestration of carbon dioxide? Is that likely to be a key part of the consideration of this forward strategy?

Mr Bamsey—It is a very promising technology. Obviously, it is very difficult to indicate what will be the content of the strategy. But so far as officials are concerned, we are planning to consider the issue of uptake of new technologies and we will offer advice to ministers on that. But also it is a technology that is much commented upon in the business community itself and also by the scientific community. It is very much on the agenda.

Senator ALLISON—Are the analyses that are available of that technology sufficient for this to be seriously considered in a forward strategy?

Mr Beale—I think there is no doubt that it is being viewed around the world, not just in Australia, as a promising medium-term technology. But, just as with a range of renewable technologies, and with a number of alternative transport technologies it is at the developmental stage rather than the theoretical stage. Theoretically it is quite possible. There are power plants now operating in the United States, South Africa and other places where there is complete gasification of coal. And we know that the technologies of geological sequestration in the oil sector have already been used as a way of driving diminishing supplies of oil and gas out of those reservoirs. But nobody has yet joined the dots to put those together and to work up this on a scale that demonstrates cost. It is technologically and geologically feasible, but—

Senator ALLISON—That is the analysis I am referring to, the analysis of cost and greenhouse and whether that has been done?

Mr Beale—It certainly looks most promising and around the world there is a great deal of work going on exploring that technology frontier to see whether it can be commercialised.

Mr Bamsey—That is what I meant by saying that it is on the agenda, I think. A lot of people with different expertise around the world, as Mr Beale has said, are reviewing the technology.

Senator ALLISON—What about land clearing? Is that going to form part of this strategy? How important will that be? What can we expect?

Mr Beale—The answer is in a sense the same. Emissions from land clearing are an important part of our overall greenhouse inventory. Economically, reducing land clearing in a socially and individually equitable way will be one of the issues that will be considered as part of that forward strategy.

Senator ALLISON—Will a greenhouse trigger to the EPBC also be considered or is it likely to be recommended?

Mr Beale—It is one of the options that the government has had under consideration for some time.

Senator ALLISON—For four or five years? Minister, how is it going?

Senator Hill—I am not sure, to be frank. What happened to that greenhouse trigger?

Senator ALLISON—Have you lost interest?

Senator Hill—No, we did not lose interest.

Senator ALLISON—You changed tack.

Mr Beale—I would have to refresh my mind on what stage it got to. I think it might be better to take that on notice.

Senator ALLISON—Mr Early looks like he might have a response.

Mr Beale—The formal processes under the EPBC Act have been gone through and it is awaiting government consideration.

Senator ALLISON—To the minister?

Senator Hill—We took advice on the form of it. It has not got bogged down in process, has it?

Mr Beale—I understand that the process has been completed.

Mr Carruthers—Perhaps I could just put this series of questions in context. If one looks at the announcement that was made by the government in August in setting out the framework for the development of this climate change forward strategy, I think it is important to note that there was emphasis on positioning Australia for the longer term in terms of a national greenhouse response, and I think that brings in some considerably important dimensions and that the government was open to exploring a range of options. In terms of the parameters they set for the forward strategy, the government is looking, through these consultative processes, for proposals and ideas about the best way of doing that as well as in the nearer term working to meet the 108 per cent emissions target.

Senator ALLISON—I suppose a great fear is that because we have got this forward strategy nothing much will happen until it is all sorted in another three years time?

Mr Beale—I think actions obviously have to be cadenced over some time, particularly any bigger actions. But I think that, as Mr Bamsey was indicating earlier, our expectations would be that governments will focus progressively towards decisions across this series of threads that are coming together towards the middle of the year. This has Commonwealth/state dimensions as well. A number of these reports were generated by COAG, such as the Parer review, for example. I would have seen that as the time when we begin to get some greater clarity about the big shape of how do we meet 108 and how do we do that in a way that prepares Australia to have a lower greenhouse signature in the long term while maintaining our relative advantage internationally.

Senator ALLISON—You would expect a forward strategy of 50 years or more to be thinking beyond 108?

Mr Beale—I think, as I said, part of it is achieving the 108 but then thinking beyond that.

Senator ALLISON—Can you confirm that the spectre of Greenhouse Gas Abatement Program money being used for land clearing controls is not currently an option?

Mr Beale—The spectre?

Senator ALLISON—It is a spectre to me.

Mr Beale—I do not believe that that would be excluded by the nature of the programmatic legislation. If you could achieve really efficient large-scale reductions in greenhouse gas emissions through controlling land use change, I would have thought it is an eligible expenditure—

Senator ALLISON—Unless, of course, it was completely ruled out by the agreement, Mr Beale? Mr Bamsey, did you have something to say about that?

Mr Bamsey—No, nothing further to Mr Beale.

Senator ALLISON—Is the government likely to make a statement on national energy policy? Last year I think the Prime Minister announced that he would do this.

Mr Bamsey—I think that the industry department would be the appropriate agency to respond.

Senator ALLISON—Okay.

Senator WONG—I wish to follow up a couple of things that Senator Allison raised. She alluded to the prospect of Greenhouse Gas Abatement Program moneys being utilised to manage land use/prevent land clearing et cetera. Has there actually been any expenditure on those programs?

Mr Bamsey—No, not in relation to land clearing. Is that what your question is?

Senator WONG—Yes.

Mr Bamsey—No.

Senator WONG—Or to provide compensation for landowners in respect of clearing or any other expenditure associated with preventing land clearing, particularly on private land?

Mr Bamsey—No.

Senator WONG—Have you been asked to provide advice as to whether that does fall within the parameters of the program?

Mr Beale—I would have to check this, but my personal view would be, looking at the technical purposes of the program and the way in which it is described, that I would not exclude that as—

Senator Hill—We think it does.

Mr Beale—I think it is covered.

Senator Hill—We were trying to negotiate a deal with Mr Beattie in Queensland which would have resulted in a significant reduction in land clearing for which we were going to pay in part through the GGAP program.

Senator WONG—I am asking about current expenditure.

Senator Hill—We were saying that it would give us a win-win outcome. It would be good for the environment on the land and good for greenhouse.

Senator WONG—I am aware of that.

Senator Hill—Unfortunately, he kept walking away from the deal.

Senator WONG—When you have finished making your political point, I was actually asking whether there had actually been any expenditure from current funds in that regard.

Senator Hill—No, because we have not been able to reach an agreement with the state premier primarily responsible for the task.

Senator WONG—I go back also to the MRET review. I think Senator McLucas wants to take issue with your construction of events, but I would like to move on.

Senator Hill—I encourage her to do so because, unless the Queensland government was prepared to put in place the appropriate regulations, you could not ensure a long-term benefit. Without that we could not pay the money.

Senator WONG—On to the MRET review, as I was saying: Dr Wright, I think you said to Senator Allison that the matter is with the minister. Firstly, is that in respect of the terms of reference?

Dr Wright—That is correct.

Senator WONG—Has there been a decision made as to the composition of the panel conducting the review? I do not mean individuals but, for example, the number of environmentalists and the number of industry representatives.

Dr Wright—No. Consideration of the panel composition is with the minister. We have not put forward any formal recommendations. The act requires that one panel member be independent and specifically defines what ‘independent’ means, but it does not specify the number of panel members.

Senator WONG—Has Environment Australia provided any information to the minister, Mr Beale, as to the proposed composition of the MRET review panel?

Mr Beale—I have certainly discussed it with him.

Senator WONG—Are you able to give the time of that advice?

Mr Beale—Not with any precision. I think it was before Christmas.

Senator WONG—Are you in any position to indicate when there is likely to be a decision about this?

Mr Beale—No, I am not.

Senator WONG—Presumably there has been no decision as to whether or not the composition of the panel will be the subject of public consultation.

Mr Beale—I would have thought it is most unlikely that the composition of the panel would be subject to public consultation. But I have no reason to say that, other than that it would be most unusual to put together a panel in that way.

Senator WONG—I neglected to ask about one matter when I was going through the Smith report. One of the recommendations suggests that the AGO take a subordinate roll on international greenhouse issues to the department of foreign affairs.

Mr Beale—The Department of Foreign Affairs and Trade has always had the lead role on international greenhouse issues and has supported the minister for the environment as the government's lead negotiator. That was the case under Senator Hill when he was in charge and that has not changed. That said, the AGO always plays a very important role—always has and always will—in supporting the whole-of-government effort.

Senator WONG—The Smith report states that the AGO plays a key role in developing and negotiating and implementing Australia's international climate commitments, has a lead in developing Commonwealth policy positions under the Kyoto protocol, et cetera. Is that an accurate statement of the previous or the current role of the AGO?

Mr Beale—Yes, but you should not overinterpret that. It is an important contributor to the international position of the Australian government. In the domestic scene, it is the lead agency. In the international scene, it has always been the department of foreign affairs that is the lead agency, with support from AGO, ITR and other Commonwealth departments.

Mr Bamsey—But in both we make every effort to ensure that it is a whole-of-government effort.

Senator WONG—I am sure you will.

Mr Bamsey—A team approach.

Senator WONG—I am sure you will. Obviously the Smith report felt it necessary to emphasise the subordinate nature in international greenhouse issues of the AGO to DFAT.

Mr Beale—I think he was certainly drawing attention to it. Perhaps he felt that, while it was well understood in government and well understood internationally among negotiators, it may not have been well understood more broadly in the community. I am not sure.

Senator WONG—Certainly, in the report and the reviews, how the role of the AGO is described in these matters and the wording of the recommendation read as if there is a reasonably significant shift in emphasis of the role of the AGO regarding these negotiations.

Mr Bamsey—There has been no change I am aware of and as far as I know, having had experience in three different agencies on that front, it is not an issue.

Senator WONG—Therefore, the government's position is that it accepts that recommendation out of the Smith report? Is that right—because you think that is what happens, anyway?

Mr Bamsey—I could not say what the government's view on the recommendation is, but what I can say is that, since I have been involved in international climate change issues, DFAT has been the lead agency. AGO work as part of the whole-of-government team that I referred to earlier. That has been the case; it remains the case. There is no issue about it.

Senator WONG—You have read the recommendation that I am referring to, haven't you?

Mr Bamsey—I have, but it was some months ago.

Senator WONG—Right. Do you think that it suggests a different role for the AGO from that which you previously performed?

Mr Bamsey—That was not my conclusion. It seemed to me to be consistent with where we were.

Senator WONG—So what will it mean in a practical sense? What will your role be in relation to negotiations on the Kyoto protocol?

Mr Bamsey—It will be as it has been. We play a role. I think that saying it is a key role is not an exaggeration in the whole-of-government team.

Mr Beale—In any case when you are overseas and you are across the negotiating table, the differences between which agencies people come from—

Senator WONG—Disappear—well, I hope so.

Mr Bamsey—We always go with an agreed brief and every member works to that brief.

Senator WONG—Senator Allison made reference to the ministerial oversight committee, I think it was called, to develop a long-term energy policy for Australia. I think the Prime Minister announced this last year. Can you indicate to us how that interacts with the MRET review process?

Mr Beale—The MRET review process is a statutory review process. Questions relating to the energy task force itself, I think, are ones best raised with the Department of the Prime Minister and Cabinet in its hearings.

Senator WONG—Can I move on now to the Photovoltaic Rebate Program. After November Senate estimates the AGO provided an answer to a question from Senator Carr regarding this program—question 22. Is it the case that this program was developed only as a four-year program to end in 2004?

Dr Wright—That is correct.

Senator WONG—Is that still the government's position—that the rebate will not continue beyond that time?

Dr Wright—The government has not taken any specific decision. The PVRP program was a four-year program under the Measures for a Better Environment package. Any future program would be part of the forward strategy considerations by government and that is a process that is under way.

Senator WONG—Do you have a copy of that?

Dr Wright—Yes, I do.

Senator WONG—Is there any revision to the actual expenditure that is indicated in that answer? Particularly, have there been any revisions to the out years?

Dr Wright—No.

Senator WONG—Are you able to tell us what the expenditure in the current budget year is on this program?

Dr Wright—It is a rebate program and we expect that this year's funds will be fully expended.

Senator WONG—Is it the case that, under this program, people can get a pre-approval prior to purchasing a PV system and then get the rebate subsequently?

Dr Wright—The rebates are paid on installation.

Senator WONG—Is there a pre-approval process?

Dr Wright—Yes.

Senator WONG—Has there been any change in the number of pre-approvals for the rebate?

Dr Wright—No. The approvals tend to peak just before Christmas and towards the end of the financial year, but since the first year of the program when approvals were fairly variable it is fairly predictable.

Senator WONG—So are you saying that the percentage of pre-approval requests has remained reasonably even through the years of the program?

Dr Wright—Yes.

Senator WONG—Has there been any policy change in relation to pre-approval?

Dr Wright—Not in terms of pre-approval. In the first year of operation of the program, there was an adjustment to the approval, or the requirements of the program, but since that it has been fairly predictable and flat.

Senator WONG—The question on notice referred to the South Australian Housing Trust application, or suggested application. Has there actually been an application made subsequent to this answer being provided?

Dr Wright—I would need to take that on notice. I do not have that detail here.

Senator WONG—As I understand the answer, despite the fact that the development is for, I think, 125 public homes, the rebate would be provided only in respect of one. Is that right?

Dr Wright—That is what is covered in the answer to the question on notice. That would be correct.

Senator WONG—And that is still the position?

Dr Wright—Yes.

Senator WONG—Is that a logical way for this rebate to be applied?

Dr Wright—That is one of the design parameters of the program. If you want more detail, I would have to take that on notice.

Senator WONG—Is there any review which has been requested in relation to this program?

Dr Wright—As a matter of good practice, the AGO is undertaking a number of program reviews.

Senator WONG—Has there been any review conducted by Sinclair Knight Merz of this program?

Dr Wright—I would need to check. We have undertaken a number of reviews, some of which have been done by external consultants and others which have been done internally. I do have a list of consultancies but, with the time constraint, I can take that on notice.

Senator WONG—Please take on notice what reviews have been done by which consultants of the Photovoltaic Rebate Program.

Dr Wright—I do have the details here. It was Sinclair Knight Merz.

Senator WONG—And when was that review done?

Dr Wright—I am not sure that it has been completed, but it is certainly one that is in process.

Senator WONG—And did your office prepare the terms of reference of that review?

Dr Wright—Yes.

Senator WONG—Are you able to provide those?

Dr Wright—I would need to check with the minister. Clearly, input to program reviews could form part of budget considerations.

Senator WONG—Are you able to advise us as to the likely completion date for that review?

Dr Wright—No, not in the room.

Senator WONG—Not in the room?

Dr Wright—I would need to check. We have a number in process, so I do not have the date in my head.

Senator WONG—If you could do that. What is the current status of that review? Is it yet to be completed? Do I understand that from your answer earlier?

Dr Wright—That is my recollection—that it is well advanced but not yet fully completed.

Senator WONG—Are there any other reviews undertaken by external consultants previously or currently in relation to this program other than the one we have discussed?

Dr Wright—Not to my knowledge.

Senator WONG—And who initiated the review?

Dr Wright—It is part of my program responsibility.

Senator WONG—So was that your decision or was that a decision taken by the minister?

Dr Wright—It was my decision.

Senator WONG—Why was the review done?

Dr Wright—As I said, good program management requires that reviews and evaluations are regularly undertaken. Particularly in the case of programs that are scheduled to conclude, the timing is appropriate given the government is looking at a forward strategy. There would be lessons learnt and valuable input from stakeholders.

Senator WONG—Was the review put to tender?

Dr Wright—I do not have that detail here. Some went to select tender; some went direct.

Senator WONG—'Some' meaning reviews of other programs, not—

Dr Wright—Yes.

Senator WONG—Could you take that on notice?

Dr Wright—Yes.

Senator WONG—Could you also take on notice the request to provide, if it did go to tender, a copy of the tender?

Dr Wright—Yes.

Senator WONG—Are you able to provide us with the amount that the review cost?

Dr Wright—I can do that now. The value of the contract is \$72,520.

Senator WONG—When was this review first commenced? When was it commissioned?

Dr Wright—It was commissioned during this financial year. Again, I do not have the details with me.

Senator WONG—If you could take that on notice, too. Just to clarify the status again, you said it was not completed. Does that mean that the consultants have not actually finished it or that they have finished it and it is in your office pending response?

Dr Wright—My recollection is that we have an initial draft report and we are discussing with the consultants some of the contents.

Senator WONG—Do you have some issues with the draft report?

Dr Wright—It is standard practice to look at the report—the way it is cast, the basis of assumptions—and to discuss that with the consultants prior to completion.

Senator WONG—I understand that, but does the AGO have an issue with some of the contents of that draft report?

Dr Wright—Not to my knowledge.

Senator WONG—Does it suggest a reduction in expenditure in the program?

Dr Wright—Sorry? Does what?

Senator WONG—The draft report.

Dr Wright—Not to my knowledge, but it is in the process of being concluded. The review is to look at the program itself, not to make recommendations to the department or government about the future.

Senator McLUCAS—I wanted to ask some questions about the long-term strategic energy policy and the ministerial oversight committee.

Mr Beale—I suggest that they be directed to the Department of the Prime Minister and Cabinet, which is responsible for that activity.

Senator McLUCAS—But I understand that the minister for the environment is a member of that committee.

Mr Beale—He is.

Senator McLUCAS—And you would be able to provide support to the minister?

Mr Beale—We have seconded someone to the committee.

Senator McLUCAS—That is the task force; is that right?

Mr Beale—The task force, which is the Prime Minister's. We will provide support to the minister.

Senator McLUCAS—So you are suggesting that all questions on this go to PM&C?

Mr Beale—I would rather that because they are very much in the coordinating seat. We will be responsive and brief the minister as requests are made of us for briefings.

Senator McLUCAS—I wonder if I could ask you some questions that I do think really fit within the environment portfolio. If you want me to refer them to PM&C I am quite happy to do that. Can you provide me the terms of reference for the development of the energy policy task force? Is that something that you could provide?

Mr Beale—Again, I think that is classically a Prime Minister's department matter, but I do believe that it was referred to in the Prime Minister's forward strategy for Australia—the white document that was recently published.

Senator McLUCAS—Can you advise whether or not there has been communication from industry with respect to policy development to the energy task force?

Mr Beale—I really do not know. I would ask you to address that to PM&C.

Senator McLUCAS—Okay.

Senator Hill—The Prime Minister's department has already met, but if you put those questions on notice we will get answers for you.

Senator McLUCAS—What role does EA have in relation to this oversight committee?

Mr Beale—We have provided a staff member on the working party, as has the AGO. The minister will be a member of the ministerial committee. These arrangements are set out on pages 42, 43, 44 and 45 of *Strategic leadership for Australia: Policy directions in a complex world*. We will support the minister. So we will provide advice to the minister on papers produced by the committee and briefings for normal support—the sort we would do for any cabinet committee process.

Senator McLUCAS—I just want to ask some questions specifically about Southern Pacific Petroleum. They have indicated, I understand, that they are interested in providing input into the task force. Can you provide to the committee the content of any communication from SPP?

Mr Beale—I am not aware that SPP has addressed any communication to my department in relation to the task force or to the AGO in relation to an input to the task force. I think that is a matter they would have addressed to the Prime Minister's department. Again, I would suggest you raise it with them.

Senator Hill—You mean subsequent to this paper and the setting up of this new process?

Senator McLUCAS—Yes. They have indicated that they want to communicate or be part of that consultative process. I was just interested to see what had occurred between SPP and EA or AGO.

Mr Beale—Nothing between SPP, EA or AGO. I am not aware of what contacts they have had with the task force.

Senator McLUCAS—With Prime Minister's.

Senator Hill—But has the way in which this new body will do business been decided?

Mr Beale—It has actually been set up in the Prime Minister's department.

Senator Hill—So is there something that sets out any consultative processes?

Mr Beale—I am not sure whether there will be formal consultation processes. I have not seen any such document. There is no document.

Senator Hill—I think that through PM&C responses to questions we should get you what information is available on how this body is to function and what consultative mechanisms it will have. The answer might be that it has not yet been determined. In particular you want to know of any consultations that have been undertaken with SPP or representations received from SPP in relation to the body?

Senator McLUCAS—I will take your advice and put those on notice with PM&C. If you can assist that process, that would be helpful.

Mr Beale—We will mention it to them.

Senator McLUCAS—Thank you. Has Southern Pacific Petroleum approached the government about any further support, including any further extension of the offered rebate, which has not actually needed to be taken up?

Mr Beale—Not that I am aware of, but we may not be aware of such an approach. Can I ask the AGO? Mr Early, are you aware of that at AGO?

Mr Early—I do not believe so.

Senator Hill—That was driven on the last occasion through Industry, I think.

Mr Beale—Yes, it was. It was the Department of Industry, Tourism and Resources, whom you would expect them to approach.

Senator McLUCAS—Certainly. I want to go to the assessment processes for Southern Pacific Petroleum now.

CHAIR—We have been through the Australian Greenhouse Office.

Senator McLUCAS—I wonder if you would mind waiting, because the areas cross over so much.

Mr Early—Sure.

Senator McLUCAS—With the reviewing of the addendum report, can the committee be advised at what date the government received the addendum report?

Mr Early—The addendum report has not yet been received. There have been submissions from SPP, but they have not been regarded as meeting all the requirements of the previous request. Even though they have submitted various information at various times, we are still awaiting the full response. If I can clarify that, they did put in what they did claim to be an addendum on 25 November. However, we have since gone back and raised a whole lot of questions that we believe were not answered as a result of our first letter.

Senator McLUCAS—So they put in a report that they called the addendum report and you have gone back to them and said you are not happy with that?

Mr Early—That is right.

Senator McLUCAS—Can you tell me around what issues it does not comply with the needs of EA?

Mr Early—They are reasonably significant—air toxics, the leachate results on the shale ash and processed water, dioxins, greenhouse gas emissions, fauna habitat, ground water and the health effect of hydrocarbons. Apart from that, they have done really well.

Senator McLUCAS—What did they do well on?

Mr Early—I was being facetious.

Mr Beale—There are volumes and volumes of information they have provided.

Mr Early—They have provided a lot of information, but it does not actually address all the questions.

Senator McLUCAS—So you have then provided detailed questions back to SPP?

Mr Early—We have, yes. I wrote to the company on 17 December and attached where they needed to put extra information. We have also been working together with the Queensland government on this. The Queensland government also have requested more information. The addendum did not satisfy their requirements, either.

Senator McLUCAS—Have you given SPP a time frame in which to respond to the additional items of the addendum report?

Mr Early—No, we have not, because it is up to them when—

Mr Beale—It is their process. It is their problem.

Senator McLUCAS—It is certainly taking up a lot of officer time. Have they indicated any time frame to you?

Mr Early—We understand that they should be coming back fairly shortly—within the next week or so.

Senator McLUCAS—And the process from there?

Mr Early—The process from there is that, if we accept that as satisfying all the requirements, we then have 42 days to provide an assessment report to our minister. Because this is the last project under the old Environment Protection (Impact of Proposals) Act, it is a matter for our minister then to make recommendations to the industry minister.

Senator McLUCAS—And if the additional information is still not to your satisfaction, can this continue to go on *ad infinitum*?

Mr Early—We would not wish it to do that, but it remains to be seen what information is provided.

Senator McLUCAS—But legislatively that is all you can continue to do: continue to ask for it?

Mr Early—As we said before, we do not have to agree with all of the information, but we have to have sufficient information for the minister to make an informed recommendation.

Senator Hill—They need approvals for subsequent stages of their development. They cannot develop their business until they complete this process and get a satisfactory outcome. The pace is really in their hands.

Senator McLUCAS—Can the committee have a copy of the addendum report? Is that appropriate?

Mr Early—I would have to check with the minister. I think that would be unusual, because it is actually part of the process and will be part of his consideration.

Senator McLUCAS—If it is appropriate, that would be very helpful.

Mr Early—My suspicion is that if it were to be released it would be released after the minister has made his recommendation.

Senator Hill—It is usually released at the conclusion of the process; otherwise it leads to all sorts of internal dynamics that might be unfair to the proponent.

Senator McLUCAS—I suppose if you could check that out that would be helpful. The other thing I would be interested in knowing is the list of questions that EA has had to request SPP to comply with.

Mr Early—We can provide that. I have a copy here.

Senator McLUCAS—If we could take that, it would be very helpful. Thank you. You understand also that Queensland State Development is going through a similar process to what EA is going through?

Mr Early—Yes, we are coordinating with Queensland.

Senator McLUCAS—In July 2002 SPP announced they had signed a contract with Mobil Oil for all of the naphtha production until the end of 2005. A week later a spokesperson from Minister Macfarlane's office said:

It was on the basis that the Government at least showed the confidence in the company that they got the contract, and that was the aim of the whole game, basically.

What do you think the minister's office meant by that comment?

Mr Beale—I do not think Mr Early would be in a position to comment on or understand—

Senator Hill—It is not even the environment minister.

Senator McLUCAS—But you were involved in the discussions—

Senator Hill—I do not think that is appropriate. That would be a best guess, which would not be a good answer.

Senator McLUCAS—Sorry, what would be a best guess?

Senator Hill—To try to interpret the comments of a third party minister.

Senator McLUCAS—But EA was involved in those discussions about the extension of the excise, were they not?

Mr Beale—We were provided the normal opportunity, through the cabinet process, to provide a comment on the proposal.

Senator Hill—EA provided advice to its minister on the environmental issues at stake.

Senator McLUCAS—And that advice supported the extension of the excise?

Senator Hill—I do not think it would be appropriate to answer that.

Senator McLUCAS—Because that goes to the issue of advice between the department and the minister?

Senator Hill—Yes.

Senator McLUCAS—Fair enough. This goes to Stuart Shale Oil's greenhouse strategy. Are you aware of that document?

Mr Early—It is difficult for me to comment on the assessment process.

Senator McLUCAS—This is not to do with the assessment process. This is a document—

Mr Early—I am sorry; I am only looking at it from the assessment point of view.

Senator McLUCAS—Is AGO aware of their greenhouse strategy?

Senator Hill—They have talked about their strategies. I think they have produced documents, if my memory serves me correctly. It has included revegetation programs and the like.

Senator McLUCAS—I am actually having difficulty hearing.

Senator Hill—I understood they had a greenhouse strategy. They have certainly spoken to me in past years about greenhouse initiatives they were taking. But if you are asking whether the AGO has a copy of it or—

Senator McLUCAS—The question is whether AGO is aware of it—that is all I want to know.

Senator Hill—There is a big debate going on here, but I suspect the answer is no.

Mr Bamsey—I understand we are aware of it. We have seen what may be early drafts. That is about it.

Senator McLUCAS—I understand that Minister Macfarlane is quoted in a press release from South Pacific Petroleum. I was wondering whether or not he would have asked AGO, given the strategy is about greenhouse, for any advice to inform him about his contributions to that press release.

Mr Bamsey—No, he has not.

Senator McLUCAS—Do you know whether the minister advised the AGO that he was intending to make comments about the strategy in a South Pacific Petroleum press release?

Mr Bamsey—Not to my knowledge.

Senator McLUCAS—Has either Environment Australia or AGO assessed SPP's greenhouse strategy?

Senator Hill—I am not wanting to be difficult, but I think to try to find out what advice the industry department takes in giving advice to their minister is really an appropriate question to ask the industry department, not this department.

Senator McLUCAS—Given that we have just learned that the AGO reports to that minister as well, it could be quite useful.

Senator Hill—But you are talking in an historical context.

Senator McLUCAS—Certainly.

Senator Hill—I think you could ask, 'Does the AGO recall giving advice to the industry department in relation to this matter?'

Mr Bamsey—No, we do not. In this context our involvement has really been working with Environment Australia.

Senator McLUCAS—And have you done any assessment of their strategy?

Mr Bamsey—No.

Senator McLUCAS—Could the Greenhouse Office advise us of the total greenhouse emissions, relative to Australia's 1990 emissions, that will result from the development of SPP's project?

Mr Bamsey—The assessment is not complete.

Senator Hill—The greenhouse consequences of the project are a critical factor to be taken into account in the assessment process that is still taking place.

Senator McLUCAS—So you have not completed that work to this point in time?

Mr Beale—That is one of the issues Mr Early indicated he had raised again with the company some time ago—on 17 December.

Senator Hill—The greenhouse issues are not straightforward also, because there are issues related to the method of production. It is then argued that there are countervailing issues in terms of the product then being less greenhouse intensive in terms of its refinement.

Mr Beale—Also then added on to that are whatever sequestration plans there are.

Senator Hill—And other factors. That is an important part of the assessment process and it is quite a complex part.

Senator McLUCAS—Once again, this does go across various portfolios. I think we have heard earlier that so does the issue and we work together as a team. I understand Mr Stuart Smith from the Minerals and Fuels Branch of the Department of Industry, Tourism and

Resources gave an address entitled ‘Australian shale oil’ at an international energy agency conference in Canada in November 2002. Did Mr Smith or his department seek any advice from EA or AGO in the preparation of his speech and presentation?

Mr Bamsey—Not to our knowledge from AGO.

Mr Beale—I do not know Mr Smith—or that Mr Smith.

Senator Hill—We do not believe so. Nobody here knows of such a request.

Senator McLUCAS—In Mr Smith’s speech he says that Australia’s shale oil deposits ‘can supply Australia with clean transportation fuel for more than 50 years’. Would AGO and EA agree with that statement, especially the use of the word ‘clean’?

Senator Hill—The industry department has responsibility for broader energy issues in terms of source, quantum, reliability for the future and so forth. It is not an illegitimate issue for him to be addressing. In terms of his assessment that it is a clean form of energy, that is a relative concept that is open to debate. That is what I have tried to say. In some ways if you speak just from a greenhouse perspective you can argue that it is a very intensive greenhouse process in its production. As I understand it, it is a light fuel that uses less energy in its further refinement. It has low sulphur and can have some benefits as compared to other fuels.

Senator McLUCAS—In EA’s contribution to the analysis of whether or not to provide the excise subsidy, what was the assessment of SPP’s position when they said they could provide clean fuel?

Mr Beale—This matter came up in a cabinet context and also in terms of advice to the minister. I do not think it would be appropriate for us to canvass that. I think that, indeed, this is a matter on which I have made that point to this very committee chairman two meetings ago.

Senator Hill—We cannot ask the officials to say what advice they gave to the minister.

Senator McLUCAS—Fair enough. I think the rest of them go to that same problem. If there are any further questions, I will put them on notice.

Mr Beale—Mr Chairman, can I make two points? I think I said that I received advice as to the Warwick Smith outcome on 24 December. When I think back, I think my last day at work was 23 December. Secondly, we have seconded two staff to the energy task force. I should also have mentioned that Dr Wright and Dr O’Connell are consultative members of the task force.

Senator McLUCAS—Representing the two different agencies?

Mr Beale—Yes.

CHAIR—Thank you. I thank the minister, the staff and their assistants for being here. I also thank the secretariat and Hansard. This completes the examination of the Environment and Heritage portfolio. I do remind the members of the committee and the officers that the committee has determined that the deadline for answers to questions placed on notice is the close of business on 27 March.

Committee adjourned at 7.31 p.m.