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MEMBERS IN ATTENDANCE: Senators Bilyk, Birmingham, Boswell, Brandis, Cameron, Di Natale, Edwards, Eggleston, Fisher, Heffernan, Joyce, Kroger, Ludlam, Macdonald, McKenzie, Madigan, Rhiannon, Singh, Siewert and Waters
SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES PORTFOLIO

In Attendance

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

Senator Farrell, Parliamentary Secretary for Sustainability and Urban Water

Department of Sustainability, Environment, Water, Population and Communities

Executive

Dr Paul Grimes, Secretary
Mr Malcolm Thompson, Deputy Secretary
Mr David Parker AM, Deputy Secretary
Dr Kimberley Dripps, Deputy Secretary

Australian Antarctic Division

Dr Tony Fleming, Director
Dr Rob Wooding, General Manager, Support Centre
Dr Nick Gales, Chief Scientist
Mr Matthew Sutton, Finance Manager

Environment Assessment and Compliance Division

Mr Dean Knudson, First Assistant Secretary
Ms Carolyn Cameron, Assistant Secretary, Strategic Assessment Branch
Ms Mary Colreavy, Assistant Secretary, Great Barrier Reef Taskforce
Ms Barbara Jones, Assistant Secretary, Environment Assessment Branch 1
Ms Adrienne Lea, Assistant Secretary, Environment Assessment Branch 2
Ms Charmayne Murray, Acting Assistant Secretary, Environment Assessment Branch 3
Mr James Barker, Assistant Secretary, Compliance and Enforcement Branch

Regulatory Reform Taskforce

Mr Peter Burnett, First Assistant Secretary
Ms Kelly Pearce, Assistant Secretary, Regulatory Reform Taskforce

Land and Coasts Division

Mr Sean Sullivan, First Assistant Secretary
Dr Paul Salmond, Assistant Secretary, People Services Branch
Ms Claire Howlett, Assistant Secretary, Finance and Aquatics Branch
Mr Bruce Edwards, Assistant Secretary, Indigenous Policy Branch
Ms Tanya Stacpoole, Acting Assistant Secretary, Biodiversity Conservation Branch
Land Sector Taskforce
Mr Sean Sullivan, First Assistant Secretary
Ms Peta Lane, Acting Assistant Secretary, Land Sector Taskforce
Tasmanian Forests Taskforce
Mr James Shevlin, First Assistant Secretary
Corporate Strategies Division
Ms Dianne Carlos, Chief Operating Officer
Ms Lily Viertmann, Chief Financial Officer, Financial Services Branch

**Environment Quality Division**
Dr Diana Wright, First Assistant Secretary
Mr James Tregurtha, Acting Assistant Secretary, Environment Standards Branch
Mr Patrick McInerney, Director, Ozone and Synthetic Greenhouse Gas Policy

**Heritage and Wildlife Division**
Ms Alison Stone, First Assistant Secretary
Mr Paul Murphy, Assistant Secretary, Heritage North Branch
Mr Theo Hooy, Assistant Secretary, Heritage South Branch
Dr Kathryn Collins, Assistant Secretary, Business Systems and Governance Branch
Ms Deb Callister, Assistant Secretary, Wildlife Branch
Dr Greg Terrill, Assistant Secretary, World Heritage Committee Branch

**Sustainability Policy and Analysis Division**
Mr Andrew McNee, Acting First Assistant Secretary
Mr Geoff Richardson, Assistant Secretary, Environment Research and Information Branch

**Marine Division**
Mr Stephen Oxley, First Assistant Secretary
Ms Lara Musgrave, Assistant Secretary, Tropical Marine Conservation Branch
Mr Charlton Clark, Assistant Secretary, Temperate Marine Conservation Branch
Mr Nigel Routh, Assistant Secretary, Marine Biodiversity Policy Branch
Ms Donna Petrachenko, Chief Advisor International Biodiversity and Sustainability & Australia’s Commissioner to the IWC
Ms Chris Schweizer, Assistant Secretary, Marine Initiatives Branch

**Parks Australia Division**
Mr Peter Cochrane, Director of National Parks

**Policy and Communications Division**
Mr James Shevlin, First Assistant Secretary
Ms Rachel Parry, Assistant Secretary, Communications and Ministerial Services Branch
Mr David Williams, Assistant Secretary, Governance Branch
Mr Matthew Whitfort, Acting Assistant Secretary, Strategic Advice Branch

**Supervising Scientist Division**
Mr Alan Hughes, Supervising Scientist
Water Efficiency Division
Ms Mary Harwood, First Assistant Secretary
Mr Colin Mues, Assistant Secretary, Water Recovery Branch
Mr Richard McLoughlin, Assistant Secretary, Irrigation Efficiency Northern Branch
Mr John Robertson, Assistant Secretary, Irrigation Efficiency Southern Branch
Mr Graeme Marshall, Acting Assistant Secretary, On-Farm and Urban Water Programs Branch

Water Reform Division
Mr Tony Slatyer, First Assistant Secretary
Mr Tim Fisher, Assistant Secretary, Murray-Darling Basin Reform Branch
Ms Tanja Cvijanovic, Assistant Secretary, Water Policy Branch
Mr Greg Manning, Assistant Secretary, Aquatic Systems Policy Branch
Mr Aidan Dalgliesh, Assistant Secretary, National Water Market System Branch

Commonwealth Environmental Water Office
Mr Ian Robinson, Commonwealth Environmental Water Holder
Mr Steve Costello, Assistant Secretary, Policy and Portfolio Management Branch
Dr Simon Banks, Assistant Secretary, Environmental Water Delivery Branch

Office of Water Science
Ms Alex Rankin, First Assistant Secretary
Mr Malcolm Forbes, Assistant Secretary, Water Science Operations Branch

Bureau of Meteorology
Dr Rob Vertessy, Acting Director of Meteorology
Dr Neville Smith, Deputy Director, Research and Systems
Dr Ray Canterford, Deputy Director, Services
Dr Dasarath Jayasuriya, Acting Deputy Director, Climate and Water
Ms Vicki Middleton, Deputy Director, Corporate
Mr Trevor Plowman, Assistant Director, Finance and Budgets

Great Barrier Reef Marine Park Authority
Dr Russell Reichelt, Chairman
Mr Bruce Elliot, General Manager, Corporate Services
Ms Margaret Johnson, General Manager, Communication and Policy Coordination

Murray-Darling Basin Authority
Dr Rhondda Dickson, Chief Executive
Dr Fraser MacLeod, Executive Director, Information and Compliance Division
Mr Russell James, Acting Executive Director, Policy and Planning Division
Mr Frank Nicholas, Executive Director, Corporate Services Division
Ms Jody Swirepik, Executive Director, Environmental Management Division
Mr David Dreverman, Executive Director, River Management Division
Dr Tony McLeod, General Manager, Water Planning
Mr Tony Webster, General Manager, Social and Economic Policy Analysis

National Water Commission
Mr James Cameron, Chief Executive Officer
Ms Kerry Olsson, Acting Deputy Chief Executive Officer

Sydney Harbour Federation Trust
Mr Nick Hollo, Deputy Executive Director

Committee met at 09:00

CHAIR (Senator Cameron): I declare open this public hearing of the Senate Environment and Communications Legislation Committee. The Senate has referred to the committee the particulars of proposed additional expenditure for 2012-13 for the portfolios of Broadband, Communications and the Digital Economy, Climate Change and Energy Efficiency, and Sustainability, Environment, Water, Population and Communities, and other related documents. The committee must report to the Senate on 21 July 2012. The committee has set Friday 20 July 2012 as the date by which answers to questions on notice are to be returned. The committee will now begin its examination of the Sustainability, Environment, Water, Population and Communities portfolio.

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

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE
(2) If, after receiving the officer’s statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

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

Department of Sustainability, Environment, Water, Population and Communities

[09:01]

CHAIR: I welcome Senator the Hon. Don Farrell, Parliamentary Secretary for Sustainability and Urban Water, representing the Minister for Sustainability, Environment, Water, Population and Communities; and portfolio officers. Minister, would you like to make an opening statement?

Senator Farrell: No, thank you.

CHAIR: Dr Grimes?

Dr Grimes: I was not proposing to make a statement beyond indicating to members of the committee that there have been some changes in our outcomes structure. They are set out in pages 25 to 26 of the portfolio budget statements. Thank you.

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

Senator BIRMINGHAM: Good morning and welcome. It wouldn’t be a budget if there were not changes to the outcomes in portfolio budget statements, just to keep us all on our toes. Can I just let one of my colleagues take over for a second? Sorry to have that uncomfortable start there.
Senator FISHER: Can you tell us about the staffing pages. It was pages 25 to 26, wasn’t it?

Dr Grimes: Pages 25 to 26 outline the changes in our outcomes structure.

Senator FISHER: In your outcomes, sorry.

Dr Grimes: We have obviously had some machinery-of-government changes over the last year that have affected the department—in particular, the movement of the housing function from the department to FaHCSIA and Treasury. We also had the creation of a specific outcome for the Commonwealth Environmental Water Holder. It is outcome 6, Protection and restoration of environmental assets through the management and use of Commonwealth environmental water. That is a new outcome that is reported in our portfolio budget statements.

Senator FISHER: Have you moved staff around to accommodate that new outcome?

Dr Grimes: Yes, there have been some movements in staff to the new outcome. I do not think we have the details here, unless Mr Parker is able to add something further now. Otherwise we could pick it up in the water outcome later.

Senator FISHER: Have you employed new bodies? Have you increased your staffing numbers or have you just done a shuffle—a very important shuffle?

Dr Grimes: In terms of Commonwealth environmental water, there has effectively been a shuffle of staff within the department into that specific outcome. We are currently advertising for a Commonwealth Environmental Water Holder at the band 2 level. That process is currently underway.

Senator FISHER: All right. What has happened with your staffing numbers overall since we were last here?

Dr Grimes: Overall our staffing numbers between this financial year and next financial year have been reduced by around 50 people in 2012-13. However, that change does mask some overall movements within the department. We have had some machinery-of-government changes, with housing staff being transferred out of the department. At the same time the department has been given some new functions to manage—in particular, the programs associated with the land sector elements of the government’s clean energy future package—and in addition the Office of Water Science has been created to support the new independent expert scientific committee on major coalmining and coal seam gas operations. So, in underlying terms, we estimate our underlying staffing movements as a reduction of about 130 staff across the department.

Senator FISHER: Since you were last here?

Dr Grimes: That would be the projected reduction for 2012-13 relative to 2011-12.

Senator FISHER: Okay. How many people are staffing the Office of Water Science?

Dr Grimes: The number is approximately 40. Mr Parker may be able to give you a more specific number of where staffing levels are at this precise stage. Otherwise we could provide that information for you when we come to the relevant outcome.

Mr Parker: It is approximately 40.
Senator FISHER: And approximately how many for water reform, water efficiency and the Commonwealth Environmental Water Holder?

Dr Grimes: Can I refer that to the relevant deputy secretary, Mr Parker, who will see if he can provide information now, or we will pick it up at another outcome.

Senator FISHER: Approximate numbers are okay.

Mr Parker: There are approximately 300 staff across those functions. We will provide precise details tomorrow afternoon.

CHAIR: Senator Fisher, can I just indicate before you go any further that we will also be dealing with outcome 1 in this period up to 9.45 am—general questions and outcome 1.

Senator FISHER: Reduction in greenhouse gas emissions?

CHAIR: Conservation of terrestrial and marine biodiversity. Are you finished?

Senator FISHER: Yes.

Senator IAN MACDONALD: What is the impact of the government’s efficiency dividend on your department?

Dr Grimes: As I indicated to Senator Fisher, we anticipate that our overall staffing levels will reduce by about 130. In effect that would be—

Senator IAN MACDONALD: In monetary terms, I mean.

Dr Grimes: We do have the information here. I might hand to our chief operating officer, Dianne Carlos, who will be able to run you through those figures.

Ms Carlos: Senator, the impact is $10.4 million for the year 2012-13.

Senator IAN MACDONALD: Out of a total budget of what? Can you just remind me?

Ms Carlos: It is $450-odd million.

Senator IAN MACDONALD: As you were telling Senator Fisher, that will mainly be achieved by staff cutbacks?

Ms Carlos: There are a range of initiatives. We have been working quite diligently on this. It includes a range of initiatives to increase our productivity, looking at our staffing levels, looking at our activities, reprioritising activities and looking at where we can achieve various efficiencies within the organisation. We have focused our capital investment on IT systems that will deliver business program improvements not only within the organisation but for clients and stakeholders. We have also looked at traditional areas of discretionary spending, such as travel and those particular areas. So there are a broad range of initiatives that we have actually been undertaking and looking at for more than six months to work up to this period coming into the new financial year.

Senator IAN MACDONALD: I mention this to a number of departments—and I never mean to be offensive—but I always say that you must have been pretty inefficient before if you can make all of those savings now and increase productivity. You must have been sleeping for the last 12 months. That is not a personal comment to your department. I make it to all departments. But it always amazes me that you are increasing productivity. Well, that means that in the last 12 months you can’t have been at your maximum productivity.

Dr Grimes: The story of productivity is one of continuous improvement, not only in the Public Service but in the economy overall. You would expect further productivity changes to
occur over time. It is true, however, that we are going to have to reduce the outputs that we are producing in a number of areas in order to be able to live within the funding that we have allocated for us for the next couple of years.

Senator IAN MACDONALD: I have heard the cutback in staff numbers, but what services generally, apart from the arrangements of government, will you if not be cutting out then downscaling or working harder in to make up for the loss of people? What general areas will be more difficult for you to operate in?

Dr Grimes: As you know, an extensive part of our work is policy focused. So we will reduce the amount of policy work that we will be doing. We are a very diverse organisation, as you know, so there will be a variety of strategies that we will need to put in place. In our Antarctic program, where we have a science program underway, we will need to make some reductions. In our work on heritage we will have to have more focus on our heritage assessments at the most high priority. That will probably mean that we are undertaking less assessment work than we would have undertaken in previous years. In relation to EPBC matters, we will be looking for ways to achieve efficiencies and also scaling back on the work that we do in the Commonwealth, relying more heavily in assessment processes through the states and territories.

Senator IAN MACDONALD: I read something about the old chestnut of one assessment process with the EPBC. Perhaps we could talk about that further then. Not the old chestnut, but the oft repeated promise that we are going to streamline state and federal things. It never seems to happen. Have you had general discussions with the states on what more they can pick up? I mean, historically the states have always dragged the chain in the last decade or so.

Dr Grimes: Yes, there are discussions occurring with the states right now following the COAG agreement on the reform of national environmental law. COAG agreed in April that there would be reforms made to accelerate previous reforms that were already underway. And we are conducting discussions with all states and territories at the moment.

Senator IAN MACDONALD: Will we be talking about that somewhere else in the program or should I ask about that?

Dr Grimes: Senator, probably the most appropriate place to pick that up is under the relevant outcome. Outcome 5.2 is the best place to handle those questions, and I understand that is tomorrow.

Senator IAN MACDONALD: Environmental regulation. Okay. The marine biodiversity and marine parks—are we to deal with that between 9 am and 9:45 am, or does that come in somewhere else as well?

Ms Dripps: I understand that that is scheduled for this afternoon, just after lunch.

Senator IAN MACDONALD: That is outcome 1.1. And we do have the Antarctic coming along. I assume within the department you have an internal allocation to some of the separate agencies or divisions like the Bureau of Meteorology and Antarctic Division. Those figures are published in the budget papers, are they?

Dr Grimes: That is correct. There is a distinction between the Bureau of Meteorology and the Antarctic Division. The Bureau of Meteorology, which will be appearing shortly, is a separate agency in relation to the Antarctic Division. It is in fact a division of the department,
so its finances are completely integrated within the department, whereas the Bureau of Meteorology has separate financial statements.

Senator IAN MACDONALD: I guess we can deal with that when we get to Antarctica, but just at this general stage, have they had a reduction in their budget? You mentioned that there would have to be some. I forget the way you put it but it sounded to me like saying there would be cutbacks in their funding.

Dr Grimes: Yes. Consistent with the application of the efficiency dividend, there has been some reduction in the amount of appropriation funding that is provided to the Antarctic Division. It is set out in the portfolio budget statement at page 54.

Senator IAN MACDONALD: We will deal with GBRMPA, but do you treat that as a separate agency or is it part of the department these days?

Dr Grimes: GBRMPA is a separate agency. It obviously works closely with the department, but it is a separate agency.

CHAIR: Have you finished, Senator Macdonald?

Senator IAN MACDONALD: If others have questions I am prepared to concede.

CHAIR: They do. Thanks.

Senator WATERS: I have a few questions about the COAG reforms that Senator Macdonald referred to earlier. Did SEWPaC officials attend the COAG Business Advisory Council meeting on 12 April?

Dr Grimes: No, SEWPaC officials did not attend that meeting. That was a COAG meeting, or COAG related meeting.

Senator WATERS: Did SEWPaC meet with business representatives prior to that meeting?

Dr Grimes: In what sense?

Senator WATERS: Well, did you meet with representatives of the business community that were then going to attend that meeting?

Dr Grimes: We obviously meet with business representatives on frequent occasions on all matter of issues. We did not have specific meetings with business representatives ahead of that Business Advisory Forum meeting.

Senator WATERS: Did the meetings that you had with business representatives include discussion of the matters that were then discussed at the business advisory council?

Dr Grimes: We did have a limited discussion with business representatives ahead of the Business Advisory Forum meeting, but that was only shortly ahead of the Business Advisory Forum.

Senator WATERS: And were matters of substance discussed at those meetings?

Dr Grimes: No, not in any great detail. It was a short conversation that I had with the chief executive of the Business Council of Australia. It was simply to touch base prior to the Business Advisory Forum meeting.

Senator WATERS: Did SEWPaC discuss the purpose of that business advisory council meeting with PM&C or the Department of Resources, Energy and Tourism prior to the 12 April meeting?
Dr Grimes: Certainly there were discussions with the Department of the Prime Minister and Cabinet. The Business Advisory Forum meeting was a meeting that had been flagged for some time and it was obviously a key meeting in advance of the COAG meeting the following day.

Senator Waters: Did SEWPaC provide input into the draft business advisory council communique?

Dr Grimes: Yes, we did have some input into the development of the communique with PM&C. The work that was being done was being coordinated by the Department of the Prime Minister and Cabinet.

Senator Waters: I want to come back to the substance of that. Did SEWPaC brief the minister on the draft communique?

Dr Grimes: Yes, we did provide some briefing to the minister. That was in the form of an oral briefing at the time.

Senator Waters: Did you brief the minister on the draft COAG communique, rather than the SEWPaC communique?

Dr Grimes: Yes, with both communiques we provided oral advice to the minister and his office prior to both meetings.

Senator Waters: Did that include canvassing the potential risks of fast-tracking bilateral approvals?

Dr Grimes: When it goes to the question of policy advice that we provided to the government, I do not feel that I am able to go through all of the policy matters that we may have provided advice on.

Senator Waters: I would like to just challenge you on that if I may. I believe that you have to establish some harm to the public interest if you are to say that advice to government is not disclosable. Can you outline for me the harm to the public interest that would flow from disclosing that?

Dr Grimes: It may be best if I take questions of that sort on notice and reflect on what material may be able to provided to you.

Senator Waters: Yes, if you could. But again, are you claiming a public interest immunity?

Chair: The officer has indicated that he is taking the questions on notice. It is his entitlement to do that. He has indicated that he will consider the issues that you have raised. You have a couple of minutes left, so if you want to pursue this for two minutes and go nowhere, that is okay. But if you want another question, you had better ask it.

Senator Waters: I am still learning about these processes. So, thank you, I will take that direction, Chair. I am interested in what consultation occurred outside the business sector on the COAG plan to fast-track the bilateral approvals.

Dr Grimes: In what specific sense?

Senator Waters: Was there any specific discussion with the scientific community, with the environment sector or with the community more broadly?
Dr Grimes: Prior to the Business Advisory Forum and the COAG meeting, there of course had been quite extensive and ongoing discussions around the whole national environmental law reform.

Senator WATERS: I mean about the bilateral approval specifically.

Dr Grimes: Yes. The reason I am going to that broader response is that the question of bilateral approvals was one of the things that was being discussed in response to the Hawke review. The government’s response was released in August last year, and there had been ongoing discussions with state and territories governments, and indeed with a range of stakeholder groups on bilateral assessment arrangements. But the discussions were very much couched in the context of the August policy statement that had been announced by the minister, rather than the more specific matters that were considered by the Business Advisory Forum and COAG subsequently.

Senator WATERS: Some departments, including PM&C, Treasury, RET and the Department of Agriculture, Fisheries and Forestry all release FOI information on their websites. My understanding is that SEWPaC does not do that. Could you explain why?

Dr Grimes: I may have to defer to the relevant officers. We may have to take it on notice. Certainly our intention is to comply with all FOI requirements, including the publication of relevant material on our website. We would have to check to see if we can provide you with further information on the material that we provide.

Senator WATERS: Thank you, if you could. My understanding is that a disclosure log has to be published, but other departments actually make the material available on their websites. I am interested in whether SEWPaC could possibly revise that—

Dr Grimes: I see the point that you are making now. It is going beyond the disclosure log to additional information. Yes, we have been actively considering this matter. The issue for us is simply the volume of many of the things that we release under FOI. To date we have not been able to come up with the best technical arrangements within our system to enable that to happen efficiently. But it is not something we would rule out doing in the future. We have actively been looking at that option.

Senator WATERS: I am pleased to hear it. Thank you.

Senator MADIGAN: Has the department undertaken a cost-benefit study of the facts of the proposals to declare large marine protected areas, such as the Coral Sea?

Dr Grimes: That question may be better picked up when we come to the relevant program. It is the case that quite extensive socioeconomic studies are being undertaken as part of that reform program. It does not lend itself to a simplistic cost-benefit analysis because the policy issues in play are so complex. But very much the government’s policy approach to that program is to consider all of the relevant factors, both environmental, social and economic, as part of studies that are being conducted through the marine bioregional planning and the establishment of a national reserve of marine protected areas process.

CHAIR: Dr Grimes, just for Senator Madigan’s and the committee’s benefit, I understand that that would be outcome 1.1.

Dr Grimes: That is correct.
CHAIR: Outcome 1.1 is at 2 pm today if you want to pursue this further. Senator Birmingham.

Senator BIRMINGHAM: Thanks. A quick question which I suspect you will need someone to look up, but perhaps if you could come back to us during the day, that would be useful. My answer to question on notice No. 233, which deals with travel, has just two instances in the extensive list of travel undertaken by the department that are of interest, one being on page 4 of the answer, which was travel in the environment quality division. There were four people with total expenses on the trip of $49,762. The other on page 5 of the answer is from the marine taskforce. There appears to be four trips involved, but that might be the number of people—it isn’t quite clear. There are total expenses of $58,411. Are you able to come back to us during the course of the day, or at the relevant parts, for those two divisions, please, Dr Grimes? Or tell us now, if you can, as to what the purpose of those trips were, what the destinations were, who was involved and so on. They do stand out as particularly large expenses compared with the rest. I know they involve a number of people as well.

Dr Grimes: We would be happy to take that on notice. We may be able to provide you with some information under the relevant outcomes later today or otherwise take it on notice. I would observe that in some cases these areas are involved in negotiations that can go on for quite some time. So these are international negotiations that can go on for some time. Whether that is the explanation in these cases I do not know. We will do a bit more checking for you.

Senator BIRMINGHAM: If you could check, thank you. I now want to turn to the Auditor-General’s report where he looked at where ministers have breached the rules about awarding grants in their own electorates. Several instances were identified affecting the current minister, Mr Burke, and the previous minister Mr Garrett in this portfolio in terms of grants in this report. Are you aware of the report that I am talking about?

Dr Grimes: Only in a general sense. I am not in a position, I don’t think, to answer very specific questions. But we might be able to see if there are any officers here who can.

Mr Thompson: As I recall, that particular incident was in relation to some Caring for our Country grants. Minister Burke gave an explanation in the House, I recall, explaining the circumstances there. If you want, I can try to provide some more details in outcome 1.1 when officers in relation to Caring for our Country will be here.

Senator BIRMINGHAM: If I could just stick with the overall issue of ministers and grants relevant to their electorates, and inquire as to what steps the department has taken to ensure that these sorts of breaches do not occur again and ensure that if there are grant recommendations for a minister’s electorate they go through the process of notification to the Minister of Finance and Deregulation and so on?

Mr Thompson: Well, I can talk more on the areas that I am responsible for, but I am very conscious of the fact that there is a general practice in the department that, where grants or funds are being recommended by the department for approval by the minister in areas that relate to his electorate, that is drawn to his attention in the briefing provided to him seeking his approval of those recommendations from the department. We also inform him of the government’s intention that he inform the Minister for Finance and Deregulation and attach relevant correspondence where that is required.
Senator BIRMINGHAM: And that has been the department’s approach for some period of time in terms of the way that you have handled these matters?

Mr Thompson: It is my understanding, Senator, that it has been the department’s approach for some period of time. There may, of course, have been some lapses in that, but that is our general approach.

CHAIR: Mr Thompson, when you say ‘some period of time; what is the length of that period?

Mr Thompson: I understand that provision, that requirement, of the government only came into place at a certain point in time, and I don’t have that date off the top of my head. As I understand it, that was one of the issues, I think, that Minister Bourke may have referred to in his explanation to the parliament.

CHAIR: Were there any provisions under the previous Howard government in relation to grants in minister’s electorates?

Mr Thompson: Not that I recall, Senator, but that is a personal recollection. I could not speak definitively on that.

CHAIR: Does anyone have any knowledge as to whether there were any checks and balances, any rules or any processes under the previous Howard government for grants in minister’s electorates?

Dr Grimes: Senator, I am probably not the best person to comment on that, but the Commonwealth grants guidelines with the requirements as they currently exist were introduced in recent years by the Department of Finance and Deregulation.

CHAIR: I take it that that is another way of saying no, there was nothing in place?

Dr Grimes: No, that is not my answer. I indicated that I was not able to comment on the broader grants framework for the government. But the current government’s framework was introduced—

Senator BIRMINGHAM: I think if I attempted to put words into the witnesses mouth, you would be quick to jump on me, Chair.

CHAIR: Sure.

Senator BIRMINGHAM: But it is clear that the witness has said that these are new guidelines.

CHAIR: So they are new guidelines. So I just assume then that there were none. Can you take it on notice and advise me of any guidelines, any processes, that were in place to provide checks and balances on these issues under the previous government?

Dr Grimes: Yes.

Senator BIRMINGHAM: Noting that you do not quite recall the specific breaches here, but, yes, they were a couple of Caring for our Country grants and a grant under the Landcare Facilitators initiative—all of them to the Sydney Metro CMA, it appears. Could you just have a check through and see whether there has been any update to the procedures since the ANAO report was released. And if there were any variations, can you advise us of any changes to those procedures that may have occurred from the departmental perspective to ensure that ministers don’t inadvertently breach the guidelines again, please?
Dr Grimes: We can see what further information we can provide you with. As Mr Thompson indicated, we have reiterated to our senior managers the importance of adhering to the Commonwealth grants guidelines and the frameworks under those, and ensuring that they are properly reflected in the advice that we provide to the minister. My recollection and understanding is that the Auditor General’s report was referring to grant programs in the minister’s former capacity rather than matters that he had handled in his current portfolio responsibilities.

Senator BIRMINGHAM: Thank you. I did also refer to the former minister.

Dr Grimes: The minister in his former capacity.

Senator BIRMINGHAM: And to your former minister, Mr Garrett.

Dr Grimes: Yes. I take your point.

Senator BIRMINGHAM: There were at least instances involving the department.

Senator Farrell: Just to be clear about that, I am not sure that Mr Grimes was necessarily the relevant secretary.

Senator BIRMINGHAM: No, I am sure he wasn’t. But the question, Senator Farrell, was about the updates to procedures or changes since the report.

Senator Farrell: I understand. It’s just your question could have been interpreted as suggesting Mr Grimes was the relevant departmental secretary when Minister Garret was the relevant minister. I just wanted to make it clear that, to the best of my recollection, that was not the case.

Senator BIRMINGHAM: Certainly to mine as well. Thank you. The last question from me, because I think Senator Fisher covered some of the staffing matters, will just help us when we get to it tomorrow. Can I just ask for a little bit of help in interpreting the PBS, because it is often a slightly challenging document in some ways. Can you point out to me in the PBS how and where I can distil the value of water buybacks planned over the forward estimates?

Dr Grimes: I will have to defer to Mr Parker on that question.

Mr Parker: Regrettably I don’t have a copy with me. Otherwise I can pick the issue up in the water outcome. More broadly, in the PBS there is not a specific line item that refers to the water buybacks. It is part of the capital budget of the department and is reported in the capital budget in the PBS. There are, for the department, some capital items that are over and above the water buyback, but it is the water buyback which is the largest part of that capital item.

Senator BIRMINGHAM: Can I ask you to turn to page 101 of the PBS, Mr Parker? Am I correct in assuming that the ‘Purchase of non-financial assets’ listed on page 101 would be the category that you are speaking of and the dominant aspect of those figures there is water buybacks? Is that the relevant part for me to look at?

Mr Parker: Yes, that is correct.

Senator BIRMINGHAM: Mr Parker, could I ask you or Dr Grimes, or the relevant officials who will be appearing tomorrow, whether they could table at the start of their appearance, or indeed table to the committee earlier, something that disaggregates that figure so that we actually have an understanding of those values of water buybacks when we actually start our discussion of that area, please?
Dr Grimes: Yes.

Senator BIRMINGHAM: Thank you. I look forward to seeing that.

Senator WATERS: I have some questions about RAMSAR and our obligations under the convention. There have been recent reports on the Victorian wetlands. Has the RAMSAR secretariat contacted the federal government over its failure to report adverse changes to a listed RAMSAR wetland?

Dr Grimes: I will see if Mr Parker can answer that question, otherwise we may pick it up under the relevant outcome.

Mr Parker: Yes, we will have to pick that up under the outcome.

Senator WATERS: Okay. Outcome 5.2?

Mr Parker: It is 4.1, I believe.

CHAIR: That finishes the questioning on general matters. I now call the Bureau of Meteorology.

Bureau of Meteorology

[09:39]

CHAIR: I welcome officers from the Bureau of Meteorology. Dr Vertessy, would you like to make an opening statement?

Dr Vertessy: Thank you, no.

CHAIR: Senator Bilyk.

Senator BILYK: I am interested, as a Tasmanian Senator, in the new Doppler weather radar in Tasmania that was recently launched. Can you tell us what area it covers and whether it will provide 24/7 weather radar coverage, and then, obviously, the benefits to the local community?

Dr Vertessy: If I may I will call to the table Dr Ray Canterford, who heads up our services area. Dr Canterford can give an account of that radar facility.

Dr Canterford: The question I understand is the new web browser in Tasmania.

Senator BILYK: I am interested, as a Tasmanian Senator, in the new Doppler weather radar in Tasmania that was recently launched. Can you tell us what area it covers and whether it will provide 24/7 weather radar coverage, and then, obviously, the benefits to the local community?

Dr Vertessy: If I may I will call to the table Dr Ray Canterford, who heads up our services area. Dr Canterford can give an account of that radar facility.

Dr Canterford: The question I understand is the new web browser in Tasmania.

Senator BILYK: The new Doppler radar at Mt Koonya.

Dr Canterford: That is a 24/7 Doppler radar. It is not a wind-finding radar as such in that sometimes there are interruptions to processing. It will cover that particular area. I do not have a map here, but I can provide additional information if you would like. It is a vast improvement on our previous radar at that location, as you would be aware.

Senator BILYK: Is that because it is higher, so you do not get so much disturbance?

Dr Canterford: Yes, it is higher. It is one of our highest towers there, and it has been well planned for many years. We are quite proud of that particular installation.

Senator BILYK: I understand that there have been troubles with other radars that echo. Does the height of this one reduce that issue?

Dr Canterford: Yes.

Senator BILYK: Because of the topography of Tasmania?
Dr Canterford: That is correct. Radar is very difficult in high-terrain areas, and it is important to get them up above the barriers. That has always been an issue down in Tasmania, of course.

Senator BILYK: I presume you would know that in Tassie we do have lots of bushfires. I am wondering if there is any benefit with this radar in being able to predict smoke or bushfires?

Dr Canterford: Yes. The Dopplers do have an additional feature in that they can give a description of wind changes that can come through. For instance, during fires a few years ago in other locations, Doppler radar has been used by forecasters to track wind changes, which are very important for fire behaviour. Doppler does provide that additional capability beyond just measuring the rainfall, or detecting rainfall in the atmosphere. It can actually pick up the movement of the raindrops and therefore gives us a wind profile as well.

Senator BILYK: Can it pick up smoke?

Dr Canterford: Yes, they can pick up smoke as well, depending, obviously, on the density.

Senator BILYK: You mentioned other Doppler radars. Presumably there are others throughout various areas of Australia.

Dr Canterford: Yes, there are. We had a project in 2002 which put in, I think, five or six high-resolution Doppler radars. When we put in a new radar it is a new capability that we add. But obviously retrofitting radars is an expensive exercise, so we do not do it lightly.

Senator BILYK: Is there any link between the information that comes from the radar and emergency services?

Dr Canterford: Yes. Most emergency services have a link straight into our radar network. We actually provide some training for some of the emergency services staff to enable them interpret our radar a little bit more than general members of the public. They are higher qualified personnel who have a distinct interest in what the radars are showing.

Senator BILYK: So presumably, if it can detect, for example, smoke quicker and easier than previously it can alert the emergency services personnel quicker. Therefore there is a benefit to the community because they can actually act quicker.

Dr Canterford: Yes. It is in combination with some other measurements that we would be making. Fire agencies do have their own smoke-spotting arrangements. We do provide lightning strike information. Probably the most forewarning you would get would be lightning strikes in dry forests et cetera, which fire agencies use to get out their control equipment earlier. It is really a combination of satellite, radar and automatic weather stations for wind measurements. It is a mixture of what we call a composite observing system.

Senator BILYK: Will the information from the Doppler radar be used to give me a more efficient and up-to-date daily weather forecast, or is that not the purpose of it?

Dr Canterford: I think members of the general public do value our radars, by the number of hits on our website, which goes up quite—

Senator BILYK: How many hits have there been, do you know?

Dr Canterford: I do not have the exact number with me.
Senator BILYK: I would be interested to follow that through too.

Dr Canterford: I think we have some statistics in our folder here in terms of the hits on the radar website. But members of the public do use them for tracking. They are very good for short-term information, but not so much for forecasting, which requires atmospheric models to detect where the developments will occur. In terms of short-term monitoring of rainfall and winds, they are very effective.

Senator BILYK: Does it track anything out to sea, or is it just overland?

Dr Canterford: Yes, they do go out to sea. We do have radars on some of our outer islands like Willis Island. They are very effective for monitoring tropical cyclones, for instance tropical cyclone Yasi. We have a nice network along the northern coast to pick up tropical cyclones about to make landfall. They provide a lot more accurate information in terms of where cyclones et cetera will impact on the coastline. That then has a major impact for emergency services in terms of where they should undertake evacuations.

Dr Vertessy: We have some website visitation statistics that you might be interested in. In 2011 the bureau website had 426 million visits and 30.46 billion hits. Radars make up a large percentage of that. It would certainly be over half. The exact numbers I cannot tell you at the moment, but it is very significant number.

Senator BILYK: Thank you.

Senator BIRMINGHAM: When you say that radars make up roughly half of that, is that an automatic linkage by radars working through computers that basically access data from the website?

Dr Vertessy: I am not sure of the actual statistics, but I would surmise that the majority of the hits to our website are actually from machines. So machines querying the website to get the information to then ingest into other information chains, if you like. Clearly, you would not have 426 million individual people browsing manually. There would be a lot of involvement of machines in all of this.

Senator BIRMINGHAM: When the budget papers describe the bureau’s website as one of the top 10 visited websites in Australia with more than 3.3 billion page views recorded in 2011, how does that statement compare with the reality of eyes on the page who might be influenced by advertising?

Dr Vertessy: First of all, one thing I would say is that website analytics can often be confusing. There are a whole range of different metrics, like total number of visits, total number of unique visits, total number of hits, and so on. It is quite complicated. I do not actually have the breakdown of the individual numbers for all of those metrics. Let me understand your question: I think you are trying to get a sense of how many individual Australians might be manually browsing our website.

Senator BIRMINGHAM: When the budget papers describe the bureau’s website as one of the top 10 visited websites in Australia with more than 3.3 billion page views recorded in 2011, how does that statement compare with the reality of eyes on the page who might be influenced by advertising?

Dr Vertessy: Yes, I understand the question. I do not believe that we actually have statistics on that. I would suggest that a large number of Australians are actually looking at the website with eyes.
Senator BIRMINGHAM: No doubt there is that large number. How will the $300,000 that is being budgeted to enable the bureau to conduct a one-year trial of advertising be applied?

Ms Middleton: Essentially that money is going to be used for several things. Firstly, we are establishing a whole-of-government steering committee that will be overseeing the operation of the trial. We are also bringing in some staff to do some clean-up and redesign of the bureau’s website so that we can apply advertising in a sensible way to the website. Thirdly, it will fund some of the assessment and the valuation of the trial over the 12-month period.

Senator BIRMINGHAM: The whole-of-government steering committee will presumably comprise of representatives from the department and elsewhere within government. Why is that considered so particularly necessary for this project?

Mr Parker: The whole-of-government steering committee was setup to ensure several things. Firstly, that there was visibility of this project across government. There are a number of areas across government, including the Department of Finance and Deregulation and so forth, who have responsibility for advertising issues across government and responsibility for information technology and website structures across government. So it was necessary that those linkages be made. It was thought that, given that this was a new thing to be done on government websites, it ought to be looked at from a relatively high level. That is why it was established.

Senator BIRMINGHAM: Who will be represented on the whole-of-government steering committee? Has that been determined?

Mr Parker: I will be chairing the whole-of-government steering committee. There will be representatives from the bureau, Prime Minister and Cabinet, the department of finance. Are there others?

Ms Middleton: Treasury and the Attorney-General’s Department.

Senator BIRMINGHAM: It is finance, PM&C, Treasury, the A-G’s and chaired by your good self, Mr Parker?

Mr Parker: That is right.

Senator BIRMINGHAM: Have any guidelines been drafted or established as to how the advertising might work, whether you would be looking at striking a contract with one of the major providers, like Google, in terms of driving that advertising and what guidelines may exist about how the appropriateness of advertising will be determined?

Mr Parker: Yes. I will ask Ms Middleton to give you some further information.

Ms Middleton: The guidelines that we are currently preparing will take into account not only the type of material that might be appropriate to include in advertising, but the appropriate placement of that advertising. Clearly, we would not want advertising to interfere
with some of the critical services that the bureau delivers. We would not anticipate including any advertising on the bureau’s warning websites. The guidelines as they are currently being prepared include a broad range of, I guess, conditions and criteria that we would seek to test as part of the trial in terms of ensuring that the advertising does not interfere with the service delivery of the bureau.

Senator BIRMINGHAM: I am assuming that some types of advertising will obviously be out. We are assuming that you are not about to have porn based advertising on the bureau’s website. I am taking that as a fairly obviously assumption.

CHAIR: Did you say ‘porn or ‘prawn’?

Senator BIRMINGHAM: Prawns may be very appropriate; porn probably less appropriate. But what about political advertising? Has a determination been made there as to whether political parties could advertise?

Ms Middleton: At this stage the guidelines are still in draft and we are yet to have decisions made. There is some scoping around that within the draft at this stage, but we have not reached a final landing on it.

CHAIR: I can just see this little thing: ‘I support BoM. Senator Ian Macdonald.’

Senator BIRMINGHAM: That’s right. ‘Support the BoM in Townsville.’ I am sure we will get the message very clear. So potential for political advertising would not necessarily be in or out. Government advertising, I assume, is something that would logically be acceptable in the realm of things. Obviously if the government has determined that spending taxpayers' dollars is warranted, the bureau would not find that objectionable?

Ms Middleton: Government advertising is covered in the draft policy currently.

Senator BIRMINGHAM: As an acceptable activity?

Ms Middleton: As acceptable, going through the normal channels that government advertising would go through.

Senator BIRMINGHAM: Carbon tax advertising, for example, would be acceptable in that regard?

Ms Middleton: At this stage, we have not included any specifics in terms of the specific advertising activity that the government might be undertaking, but we expect that that will be discussed by the steering committee in terms of making its final guidance on the policy.

Senator BIRMINGHAM: If you have said that government advertising is in then presumably you would not then be opting for a running commentary on they types of government adds that were acceptable or not?

Mr Parker: I think that would be the in principle starting point. Just to underline the point which Ms Middleton made in passing, the arrangements that apply to the approval of government advertising would apply in this case. It would not be a specific matter relating to the Bureau of Meteorology website. The Bureau of Meteorology would be providing advertising space and there would not be a filter that was over and above the filters which apply more broadly to the government advertising arrangements.

Senator BIRMINGHAM: If the draft guidelines indicated government advertising as acceptable, is there an indication in those draft guidelines about political advertising?
Mr Parker: I think Ms Middleton has already answered the question. Are you able to elaborate on your earlier reply?

Ms Middleton: At this stage we are recommending that there not be political advertising.

Senator BIRMINGHAM: In that sense, you could have advertising sponsored by the government but not advertising sponsored by a political party, be it the governing political party or the opposition political party, or indeed the climate change sceptics if they were to choose to run again as a political party—is that correct?

Ms Middleton: Yes.

Senator BIRMINGHAM: Are there any other exclusions that have been identified thus far, in terms of what you would not find acceptable?

Ms Middleton: Generally we are looking at things that might be inconsistent with government policy. At the moment we would not expect there would be alcohol or tobacco advertising, consistent with what is required on other media outlets. We are still to work through the analytics of what that might mean before reaching a final landing. The draft policy does explore some of those issues.

Senator BIRMINGHAM: Is there an estimate as to how much the bureau believes can be raised by going down this path?

Ms Middleton: That is one element of the trial that we are testing. So at the moment we cannot be confident. Government has not advertised before on a website, so part of the trial is to actually try and ascertain what the commercial value of advertising may be over that 12-month period of the trial.

Senator BIRMINGHAM: Have you had any meetings or discussions with agencies that handle Internet advertising?

Ms Middleton: Not at this stage. There has not been formal input. We have had some inquiries from advertising network providers, but we anticipate we will go through a transparent process where advertising network providers will make expressions of interest to participate in the trial.

Senator BIRMINGHAM: How was the opportunity for this identified?

Ms Middleton: My understanding is it was actually identified through a number of reviews that have been conducted of the bureau. So this is not the first time advertising has been put forward as an option. I understand it has been put forward on more than one occasion in the past.

Senator BIRMINGHAM: I am assuming the expectation is that the value of the advertising could be quite significant. You would not be going through this and government presumably would not be providing the trial funding for you to go down this path if there were not the potential for significant advertising. You would not be having to make those assessments against the bureau’s significant credibility and how to manage that credibility risk against taking advertising and so on if you did not think there was a potentially decent pay-off at the end?

Mr Parker: We certainly hope so, Senator. Of course, as has been mentioned, this is a trial. That issue needs to be ascertained. The best way to find out the answer to that question is to see.
Senator BIRMINGHAM: And have you sought any assurances from government that the bureau’s capacity to self-generate income will not see government funding stripped with the other hand?

Mr Parker: That would be a matter to be considered in future budgets, Senator.

Senator BIRMINGHAM: I will leave it there, Chair. I know that Senator Macdonald has something on the same topic and others.

Senator IAN MACDONALD: So the revenue is not intended to be hypothecated to the department?

Dr Vertessy: No. That is not the case. Not to the department.

Senator IAN MACDONALD: So the revenue is not intended to be hypothecated to the department?

Dr Vertessy: Senator, I would not say we would compete against the Weather Channel per se. But, yes, it is looked at as a potential revenue measure to relieve some of the pressure that we have for the great societal demand on our services. The fact of the matter is that Australians do enjoy and value our services. Often the demand is higher than we are able to grow our capacity.

Senator IAN MACDONALD: I am telling you all that, and I am agreeing with you. I told you. You do not have to tell me how good you are and how much in demand your services are. As I say, others do it and make money out of it. Is the understanding behind your looking at this with government that you will become less and less reliant on taxpayer funding and more and more reliant on revenue you raise yourself?

Dr Vertessy: Not specifically. It is seen as a potential supplementary source of revenue for the bureau’s overall running costs.

Senator IAN MACDONALD: So it would be, then, hypothecating to the bureau? That is my first question.

Dr Vertessy: Not necessarily. Under current arrangements, it is designed as an offset measure in the budget. So we have a specific amount allocated.

Senator IAN MACDONALD: So from what you earn, your taxpayer funding will fall accordingly? Is that what you are saying?

Dr Vertessy: I am not sure if I really understand that.

Senator IAN MACDONALD: You just said something which I am interpreting that way. Can you say again what you said just previously?

Dr Vertessy: In the budget for this year, the revenue that comes from the weather advertising trial is an offset measure for the expense measures in the budget.
Senator IAN MACDONALD: Offset for the trial or offset for your general expenses?
Mr Parker: Senator, I take you to page 266 of the portfolio budget statements.
Senator IAN MACDONALD: Unfortunately, I have lost mine. This is Budget Paper No. 2?
Mr Parker: This is the yellow document.
Senator IAN MACDONALD: Yours looks blue.
Mr Parker: I beg your pardon.
Senator IAN MACDONALD: Is that Budget Paper No. 2?
Mr Parker: This is Budget Paper No. 2. This is the measures statement at page 266. There is a reference there to the fact that the bureau has been provided with $300,000 to conduct this trial. There is also a line item there which says related revenue. That is identified as not for publication.
Senator IAN MACDONALD: Not for publication?
Mr Parker: Not for publication.
Senator IAN MACDONALD: What a dodgy comment that is, but go on.
Mr Parker: The reason for it being not for publication—
Senator IAN MACDONALD: Is because the advertisers would know what you charge?
Mr Parker: You have it in one, Senator. Yes, that is right.
Senator IAN MACDONALD: Well, I read the book. I thought, ‘I’ve never read a more dodgy excuse for not putting the thing in.’ You think that the advertisers, your competitors, are sitting there waiting to see what you expect to get from revenue. That is just commercially unreal.
Mr Parker: No, Senator. I think the matter is that the revenue to be paid for advertising on the site will be the subject of commercial negotiations—that is, as between the government and people who wish to advertise on the site who wish to be advertising space providers.
Senator IAN MACDONALD: So you do not want to tell them what you are going to ask them to pay?
Mr Parker: Well, it is a matter of negotiation. It is a simple issue of negotiation. You do not provide your estimate because that will then become the outcome. As you know, Senator, you will be removing any potential upside of revenue. The issue, then, of whether that revenue becomes hypothecated to the bureau in later years is, as I said in answer to an earlier question, a matter for decisions in future budgets once the trial has been evaluated.
Senator IAN MACDONALD: I guess in a roundabout way you are answering what is effectively my question: what is the whole purpose of this? What discussions have you had with the government? Is it towards becoming more self-sufficient, so less reliant on the taxpayer? I am not being critical. It would be nice to have some straight answers rather than some Public Service answers which are meant to not tell us anything.
Dr Grimes: I think that Mr Parker has tried to provide you with as much assistance as he can, together with Dr Vertessy, in responding to your question. Our intention has been to provide as much information as we can.
Senator IAN MACDONALD: What was the whole purpose of doing this, the advertising trial?

Dr Vertessy: Well, first of all, it was a recommendation of the Munro review of the bureau. It was seen as one mechanism to supplement the bureau’s income. Should it—

Senator IAN MACDONALD: Supplement the bureau’s income?

Dr Vertessy: Yes, Senator.

Senator IAN MACDONALD: That is more income on top of what you are getting—supplement.

Dr Vertessy: Yes.

Senator IAN MACDONALD: So it is hypothecated, you hope?

Dr Vertessy: As a potential mechanism, yes. I note it is a trial, and nothing is locked in for any period of time. The objective is to run the trial, evaluate its success and then give further consideration to the proposition in future budget years, yes.

Senator IAN MACDONALD: Do not get me wrong. I am a great supporter of the bureau. I have for a long time said that you should be raising your own money. You have a better product to sell than the Weather Channel and all these other entities that do make quite a lot of money out of doing it. If you can get yourself away from the succour of the taxpayers’ drip, I think you and everybody will be much better off. I was hoping that is what you might tell me was the whole purpose of it, but you are constrained by your situation, I understand. I guess we will just have to wait and see. But good luck.

Dr Vertessy: Thank you, Senator.

Senator IAN MACDONALD: If your advertising is modest enough, I might advertise for more staff for Townsville. I will go to the regions very briefly. This is about your predecessors, perhaps, more than the current group of officials. I am concerned at what seems to me to be a general rundown of regional bureau personnel on the basis that with greater technology you can do things from Collins Street in Melbourne, or wherever you are these days, as well as you can from Thursday Island. I, of course, always suggest that the reverse is the case. You could do from Thursday Island what you do from Collins Street and get rid of your Collins Street office. I know that would bring shockwaves to the people who enjoy the Collins Street cafe society. Is any thought being given to decentralise more your major operations, or are they going to continue to be consolidated in Melbourne and Brisbane?

Dr Vertessy: No. We are not giving any thought to further decentralisation. I would suggest to you we are going the other way.

Senator IAN MACDONALD: And the rationale being?

Dr Vertessy: Efficiency and effectiveness.

Senator IAN MACDONALD: And staff do not want to leave the Melbourne cafe set either?

Dr Vertessy: No. That is not the case, Senator. We have staff all over Australia. We are hardly cramming them all into one place in Melbourne. As you know, we have regional offices in every capital city. We also have a far-flung network of some 60 field stations around the country and we are taking advantage of opportunities to introduce new technology
to make more measurements more cheaply and at greater accuracy for the benefit of our forecasting services.

Senator IAN MACDONALD: You say greater efficiency and productivity. That is the escape of every public servant, with respect. Tell me why you could not do half of the things you are doing in Melbourne, with a bit of capital rearrangement, out of Rockhampton, Townsville, Cairns, Darwin or Broome. Broome would be nice. Why could you not set up a fully fledged operation or bureau in Broome that does half the work that is currently done in Melbourne?

Dr Vertessy: I suppose there would be a range of considerations. The first would be the availability of workforce and the supply of skilled workers. The second would be access to appropriate infrastructure—communications infrastructure, energy infrastructure et cetera—that would be needed. We would be taking cognisance also of the sunk investment that we have in infrastructure. So, yes, there would be a whole lot of reasons, I suppose, as to why it would make more sense to consolidate in Melbourne rather than set up something new in Broome.

Senator IAN MACDONALD: You say that. I entirely disagree. On notice, can you tell me what rent you pay? Where are you in Melbourne at the moment?

Dr Vertessy: We are at 700 Collins Street in Docklands.

Senator IAN MACDONALD: Very nice. How long have you been there? It is pretty new, is it? Approximately. A couple of years? Six years?

Dr Vertessy: In 2004.

Senator IAN MACDONALD: Has the premises expanded in recent times?

Dr Vertessy: No. The Docklands presence has. We have extended our presence in Melbourne, however, to a second building. We have a regional office at 1010 La Trobe Street, which is a couple of blocks away. That is where our operational Victorian regional office sits. That was done to make room for some of the new functions that came into the bureau through prior new policy.

Senator IAN MACDONALD: Why did you not put the Victorian office in Geelong, Ballarat or Wangaratta?

Dr Vertessy: I was not around in the early 2000s when that choice was made.

Senator IAN MACDONALD: Can you tell me what rent you are paying in Melbourne for the head office and for the Victorian office?

Dr Vertessy: I will just check if we actually have those numbers in our notes.

Senator IAN MACDONALD: How are we going for time?

CHAIR: I reckon you could go another five minutes. Senator Fisher needs a couple of minutes. Then there will be a few minutes with Senator Birmingham again. And I have some questions.

Senator IAN MACDONALD: Rather than looking this up, take this on notice if we are short of time.
Dr Vertessy: I can cite the statistics. The office accommodation costs at 700 Collins Street are $9.9 million for a floor area of 17,051 square metres. At 1010 La Trobe Street, our regional office, the annual cost is $1.01 million for a floor area of 2,132 square metres.

Senator IAN MACDONALD: Can you give me those figures for all of your capital city offices? Why not go the whole hog and do it for all of your offices? I am sure you have it somewhere.

Dr Vertessy: Yes. We have that information, Senator. We can provide it to you.

Senator IAN MACDONALD: I would be keen to know what you pay in Rockhampton and Townsville. I suspect the answer is zero, is it?

Ms Middleton: I do not have the figures with me. I can do it on notice.

Senator IAN MACDONALD: You are out at the airport at Townsville.

Dr Vertessy: Regrettably, no-one gives us a lease for zero, other than for the occasional monitoring station. But our offices all take leases. As I understand them, they do not vary wildly from one area to another. Airports are one of the most expensive bits of footprint for us, in fact.

Senator IAN MACDONALD: I think Townsville is probably run by the RAAF, though, is it not? They would be very modest.

Ms Middleton: I do not have Townsville’s figures with me.

Dr Vertessy: Sorry, Senator. We do not have Townsville’s figures. But we will make sure we give them to you.

Senator IAN MACDONALD: You can get them to me on notice. I know you do not have a lot of staff, but you have more than I have. Can you give us a square metrage comparison on each one as well. That is dividing the square metres into the money. Thank you for your answers on notice to questions I asked last time about the bureau staffing. I take it from your answers that there are no immediate plans to further reduce staff in any of your regional centres. Is that correct? The question is no immediate plans?

Dr Vertessy: No immediate plans.

Senator IAN MACDONALD: No work being done to further reduce your regional staff? Perhaps that is a better way of putting it.

Dr Vertessy: We are constantly giving consideration to ways in which to run efficiently and effectively. That does include assessing the number of staff that we need to have in regional offices and head office, for that matter, as well as field stations. So we are giving constant consideration to those. It is a moving feast.

Senator IAN MACDONALD: Can you tell me on notice again not why you could not shift some of your head office operations out of Melbourne but what operations in head office could be decentralised somewhere else in Australia? I did suggest on notice, but if you have an immediate answer, that is fine.

Dr Vertessy: I am trying to envision the kind of answer that we would give you, Senator.

Senator IAN MACDONALD: You could put your big computer somewhere else, could you not?
**Dr Grimes:** I think the issue here is at what cost. What would be the cost of the decentralisation? That would be quite a major exercise for the bureau to do. I do not think they would be in a position to be able to provide you with that sort of analysis.

**Senator IAN MACDONALD:** Let us say I am a generous Treasurer. Unfortunately, that is unlikely to ever occur. If I said to you that money is not an issue, tell me what operations could be moved to Darwin, Broome or Alice Springs or somewhere else, technically. You might like to give a considered opinion and check with the staff. I know what the staff will say: ‘No, we don’t want to leave Collins Street.’

**Dr Vertessy:** We would prefer to take something like that on notice. We will give it a bit of careful consideration and see if we can come up with an intelligent answer for you.

**Senator IAN MACDONALD:** Thank you.

**CHAIR:** Dr Vertessy, your budget is $418 million.

**Dr Vertessy:** I am just checking on that, Chair.

**CHAIR:** For 2011-12, at page 109.

**Dr Vertessy:** Our CFO will give a crisp answer to that one.

**CHAIR:** I am looking at the agency resource statement at 1.2 of the budget related papers No. 1.18—total net resourcing for Bureau of Meteorology. I thought this was going to be an easy question, to be honest. How much money have you got?

**Dr Vertessy:** I can see the number you are referring to. It is $396,044. Is that right, on page 109 on the far right-hand column?

**CHAIR:** Yes. I have $396,044. If you go down the bottom, total net resourcing is $418,785.

**Mr Plowman:** That is correct.

**CHAIR:** I want to follow up on some of the issues that Senator Macdonald raised. He has raised two major issues. One is decentralisation and the second is privatisation. To your knowledge, does every OECD country have an internal bureau of meteorology to advise government? You could take that on notice. Can you give me some examples. You must know some.

**Dr Vertessy:** Yes. It is a very common paradigm.

**CHAIR:** It is a common thing?

**Dr Vertessy:** Most nations have something like the bureau of meteorology, yes.

**CHAIR:** So Margaret Thatcher did not privatise the bureau of meteorology in the UK?

**Dr Vertessy:** No.

**CHAIR:** What is the equivalent of the BOM in the US?

**Dr Vertessy:** The National Weather Service, which is part of the National Oceanographic and Atmospheric—NOAA.

**CHAIR:** So that is a government agency?

**Dr Vertessy:** Correct, yes.

**CHAIR:** So even Ronald Reagan did not privatise that?

**Dr Vertessy:** No. That is right.
CHAIR: So we have a new paradigm in Australia where we privatise BOMs?

Senator IAN MACDONALD: No. A government business enterprise and revenue. I am not advocating privatisation.

CHAIR: I just thought you wanted to get them off the suckling. I cannot remember quite the word you used. I just assumed that if they are off government support, they are privatised.

Senator BIRMINGHAM: I think the less they have to use the government for money, the more they can actually enjoy their own revenue streams, and the better run, no matter who is in government, Chair.

CHAIR: It seems to me that the argument finally is privatisation.

Senator BIRMINGHAM: No.

CHAIR: So $418 million is a lot of money. Can you take me to the key functions BOM does in relation to cyclones and making sure the government is well prepared for severe weather instances. What is the main task?

Dr Vertessy: Chair, if you were to look at the budget papers, again on page 144, you will see the key functions of the Bureau of Meteorology, the key deliverables. The most important ones to Australians, of course, are around the warnings and keeping people safe about severe weather conditions. They may come in the form of cyclones or bushfires or hail and so on—floods and the like. Other functions deal with the studying of Australia’s climate and the provision of climate statistics for industry and agriculture so that they can plan their affairs for economic and societal benefit. A new function which, as you know, came in some five years ago now is the water resources information function. So we are now providing Australian governments with strategic advice on the distribution of Australia’s water resources and how they are being used. Of course, there is the general public weather forecasting and the specialist forecasting that we do for the aviation sector for aviation safety and assisting Australia’s defence forces as well. So that is a bit of a spectrum of things that we do.

CHAIR: Is the private sector in a position to provide any of these resources, to your knowledge, in Australia?

Dr Vertessy: Small parts of that, yes.

CHAIR: But the majority of what you do is not done in the private sector?

Dr Vertessy: No. The majority of what we do are public goods.

CHAIR: I want to change tack a little. We have had the discussion in relation to Cardinal Pell. That has been an ongoing issue. Has Cardinal Pell visited the Bureau of Meteorology, even for a nice coffee down in Melbourne?

Dr Vertessy: No. I do not believe so, Chair.

CHAIR: You did write to him and ask him to?

Dr Vertessy: I did not. My predecessor, Dr Greg Ayers, the recently retired director, did write to Cardinal Pell. I am not aware of any further correspondence between the two.

CHAIR: No response?

Dr Vertessy: I cannot validate that; I am not aware of any response.

CHAIR: Is the offer still open to Cardinal Pell to come and have a look at the science of climate change?
**Dr Vertessy:** Most certainly. I am always very happy to talk to any Australian about the work of the bureau and the importance of climate change.

**CHAIR:** Especially a very high profile and important Australian such as Cardinal Pell.

**Senator IAN MACDONALD:** He made a very major speech to a conference in London about this very issue, Mr Chairman. I should send you the transcript.

**CHAIR:** Cardinal Pell did?

**Senator IAN MACDONALD:** Yes.

**CHAIR:** I am happy to have a look at it because I always like to have something to keep me amused. Dr Vertessy—

**Senator IAN MACDONALD:** You should watch Senate estimates, then.

**CHAIR:** You said you will spend $4.8 million in 2012-13 to maintain essential frontline severe weather forecasting services and to increase the number of flood forecasters. That is still being done within the context of the budget constraints?

**Dr Vertessy:** That is correct, yes.

**CHAIR:** You said you are employing some forecasters from overseas. Are these specialist skills?

**Dr Vertessy:** Yes, they are. They are trained meteorologists that we have recruited from overseas.

**CHAIR:** And where will they be employed?

**Dr Vertessy:** They are distributed around Australia in various regional forecasting centres.

**CHAIR:** Senator Macdonald says he is a supporter of the Bureau of Meteorology but then denigrates the cafe latte set in Melbourne. Is the Docklands area generally a business sector area?

**Dr Vertessy:** Yes, I suppose you could typify it that way, Chair. It is a new area, as you know. It has really been established in the last 10 or so years, so there is a large influx of all kinds of offices. We share a building with Medibank.

**CHAIR:** So they should get out as well?

**Senator BIRMINGHAM:** I thought the bureau were weather forecasters, not social demographers.

**Dr Vertessy:** And at our other location at 1010 La Trobe Street we share a premise with the Australian Customs Service. There is a whole spectrum of private sector and government entities down there.

**CHAIR:** There is a whole range of people?

**Dr Vertessy:** Yes. It is a garden variety capital city location. There is nothing special about it.

**CHAIR:** Docklands is quite nice.

**Senator IAN MACDONALD:** This is not a Sydney versus Melbourne question, is it?

**CHAIR:** No. Docklands is quite nice. It is not quite Darling Harbour.

**Senator BIRMINGHAM:** It is nice and close to the footy.
Senator Farrell: Chairman, on the point that Senator Birmingham just raised, it may be worth noting that, in fact, the office is very close to Etihad Stadium, where the Adelaide Crows thrashed Carlton last Sunday.

CHAIR: Well, thanks for that, Senator Farrell, but I do not think you are helping me.

Senator BIRMINGHAM: I just hope Senator Farrell will turn us towards Senator Conroy ahead of this weekend’s clash.

Senator Farrell: Well, we will make the invitation for him to come to South Australia.

Senator BIRMINGHAM: Now we are really straying.

CHAIR: We are straying. I want to try to get back to Bureau of Meteorology issues. Yesterday we had the Climate Commission appear. Have you seen the report in relation to climate change in New South Wales, the recent Climate Commission report about the heat sinks in Western Sydney?

Dr Vertessy: I am familiar with the existence of the report. I have not had a chance to read the report.

CHAIR: Was the Bureau of Meteorology involved in that report?

Dr Vertessy: No. That was prepared by the Climate Commission.

CHAIR: Did they use any Bureau of Meteorology analysis or statistics in it?

Dr Vertessy: I believe they did use bureau data as well as use CSIRO’s information, I understand.

CHAIR: And some of that data was in relation to weather stations in Western Sydney?

Dr Vertessy: I believe so, yes.

CHAIR: Is there anyone who was engaged with the Climate Commission here today?

Dr Vertessy: No.

CHAIR: There was an article in the Australian that basically critiqued the Climate Commission report. The headline was ‘Suburbs hotter, but it may just be tarmac’. Does the Bureau of Meteorology agree with that sort of headline?

Dr Vertessy: Could you repeat that, Chair?

CHAIR: It was a headline in the Australian on 14 May. The two reporters were Sid Maher and Harry Edwards. I do not think they are renowned meteorologists or climate change scientists. The headline says ‘Suburbs hotter, but it may just be tarmac’.

Dr Vertessy: I understand, yes.

CHAIR: What is the Bureau of Meteorology’s view in relation to temperatures in Western Sydney? Does it coincide with the analysis of the Climate Commission?

Dr Vertessy: The first thing I would say is that the bureau puts a lot of energy into doing quality assurance over the long-term climate records, particularly those that we use for what is referred to as the Australian climate observations reference network, of which we have examples in Sydney. We are very careful to ensure that we do not have any confounding effects from so-called heat island effects. We also make corrections for things like occasional changes in instrumentation et cetera. So people can have a high level of confidence in the bureau data that is used for detecting long-term changes in climate at those reference stations.
As for any analysis that we have conducted of stations in Western Sydney, I actually do not have those trend data at hand.

CHAIR: You do not have it to hand. I did not expect you would. I thought you would be aware of this report, given that it is a significant report. It received lots of publicity and uses BOM data.

Dr Vertessy: Yes.

CHAIR: One of the so-called controversial issues was that the Climate Commission used data from the CBD in Parramatta. The *Australian* was proposing that the data should be used from Prospect. Is there a BOM database in Prospect Reservoir?

Dr Vertessy: I believe there is. Prospect is a bureau site, I believe.

CHAIR: There seemed to be some controversy over the information coming out of Prospect Reservoir that it may be exaggerating some of the heat effects in Western Sydney, and the Climate Commission discounted that. Is that your understanding? Is there an issue there?

Dr Vertessy: I will rewind a little and say a few things. First of all, the ACORN-SAT information is showing a very clear warming trend. Those warming trends do tend to be stronger inland than away from the ocean, which was one of the conclusions of that Climate Commission report. So their findings and our findings are consistent in that regard. The number of extreme hot days is likely to be greater in those inland areas than in coastal margin areas, which I understand is another finding of that report. So, once again, those findings and our findings in our analysis of the long-term climate record are wholly consistent.

CHAIR: So the Climate Commission report is scientifically robust?

Dr Vertessy: I could not say that. I have not reviewed it. All I can comment on is the consistency of their findings with ours.

CHAIR: So it is consistent?

Dr Vertessy: Yes.

Senator FISHER: I want to ask about increased frontline capabilities. I think Senator Cameron was asking you where you are employing foreign forecasters. I think you indicated they would be stationed regionally. Is that right?

Dr Vertessy: That is right. Just to clarify, Senator, these are staff we recruited one or two years ago, in fact, in anticipation of the heavy weather that we got through the two La Nina years. So we are simply retaining those staff. They have been with us for some time. They are already out on posting in various forecasting centres.

Senator FISHER: So there are no additional beyond what you have already got?

Dr Vertessy: Yes, there are. Provision has been made to take on 10 new trainees. These will be local recruits. These will be people that would come in with general graduate skills, but they will be put through our nine-month meteorology trainee program. There is another measure as well for up to 10 new flood forecasters. These are new people that we would recruit here in Australia.

Senator FISHER: Senator Farrell’s press release of 8 May referred to 20 expert meteorologists and then the recruitment and training of up to 10 new meteorologists and the
recruitment and training of up to 10 additional flood forecasters. So the two lots of 10 that you have just spoken about are the last two in his press release? Are the 20 expert meteorologists those that are already employed?

**Dr Vertessy:** That is right, yes. Funding measures have been provided so that we can retain them. Otherwise we would have had to have let them go.

**Senator FISHER:** So does the $4.8 million fund staffing and staffing only?

**Dr Vertessy:** There is also the provision of $300,000 in that sum for the weather advertising trial. Reference was made to that earlier in questions.

**Senator FISHER:** That is part of the $4.8 million?

**Dr Vertessy:** Yes.

**Senator FISHER:** Where will the 10 new local meteorologists and the 10 flood forecasters position their bottoms when they are employed?

**Dr Vertessy:** That has not yet been determined.

**Senator FISHER:** Senator Farrell’s press release said:
The strengthening of frontline staffing capacity is one aspect of the Government’s response to the review, which will be released shortly.

That kind of begs the question as to whether it is the government’s response or the review itself that will be released shortly. Are either of them public—the government’s response or the review itself?

**Mr Shevlin:** We expect that the report of the review by Ms Munro will be released soon. I cannot give you an exact date other than the definite expectation is we are talking in the next few weeks, not a long period in advance.

**Senator FISHER:** Well, on 8 May, Senator Farrell said ‘shortly’. ‘Soon’, therefore, must be sooner than ‘shortly’, I think, given the number of weeks since 8 May. Is that right?

**Mr Shevlin:** All I can say is we expect it to be released soon.

**Senator FISHER:** What about the government’s response?

**Mr Shevlin:** In effect, the first part of the government’s response has been some of the measures that are announced in the budget.

**Senator FISHER:** What about the rest of them?

**Mr Shevlin:** It will be considered as part of the next budget cycle.

**Senator FISHER:** So the government’s response is still in gestation, is it?

**Mr Shevlin:** There are a whole range of measures or recommendations and actions that were identified by the review. They require quite detailed consideration across the government because they affect a number of other agencies and require a lot of input from others. Some of them are being progressed within the bureau already. So some are internal and some are external. There is a whole range of things. Rather than rushing to a response, the government and the bureau are working with them to work through that in a very considered way so that the appropriate response to that can be considered in future budgets.

**Senator FISHER:** Is there a public document that identifies which of the recommendations of the review have already been actioned by government?
Mr Shevlin: I think when the review comes out—

Senator FISHER: We are half-pregnant, are we not?

Mr Shevlin: That is right. It will be obvious when the review comes out. Obviously that document does not exist at the moment in the public sphere.

Senator FISHER: Thank you. It is a bit difficult because we have not seen the review itself. Is it fair to surmise that there was a shortfall in the response capacity for flood warning?

Mr Shevlin: Of the priorities the review identified, the highest priorities were to boost the number of frontline weather forecasters and frontline flood forecasters.

Senator FISHER: On what basis?

Mr Shevlin: Having done a thorough review. The review was of the bureau’s capacity to deliver severe weather services and extreme weather services to the Australian public. As part of the extensive review that was done, lots of consultation with stakeholders identified that this was the biggest priority in terms of severe weather and extreme weather forecasting. Having frontline people was the most critical thing to address, and that is what has been addressed.

Senator FISHER: Did the review find the extent of our frontline personnel wanting?

Mr Shevlin: I want to be careful here that I do not go into what is in the review before the review is released.

Senator FISHER: The review is the review is the review. It is not going to change between now and when it is released, is it, because it has already been done and the government has already acted on some recommendations. Why can't this committee be told about those recommendations upon which the government has already acted?

Dr Grimes: Is right. Mr Shevlin has indicated that there is an expectation that the review will be released shortly. It would not be appropriate for him to go into the detail of that prior to the release of the review. But that will be released and made available.

Senator FISHER: Why is it not fair to surmise that the review found that our frontline capacity for forecasting extreme weather events was wanting?

Dr Grimes: Mr Shevlin has indicated that there had been a finding in the review that it would be desirable to have additional resources in that area. The government has responded to that. In terms of the way in which that is presented in the review, when the review is released, you will be able to have a look at that and see the terms in which it is being presented.

Senator FISHER: We look forward to it. Thanks, Dr Grimes.

CHAIR: I think this might be an appropriate time to break for morning tea. Dr Vertessy, I have just picked up Dr Pell’s speech and some of the reviews of Dr Pell’s speech, which includes quotes from some BOM people. I might put some questions on notice and ask you about the scientific robustness of Dr Pell’s speech for the next estimates. Thanks very much.

Mr Parker: Chair, earlier in today’s proceedings, Senator Fisher asked for some information about staffing numbers. I am able to provide that information to you now if you would like. For 2011-12, the average staffing level for water group—this is excluding the office of water science, which has been in the process of building up and separating out the
Commonwealth environmental water office; it has been established as a separate outcome now—is 312 persons.

CHAIR: Thank you.

Dr Vertessy: Can I introduce a clarification for a senator regarding the budget measures. I said that the $300,000 for the web advertising trial was part of the $4.8 million.

Senator FISHER: Yes, you did.

Dr Vertessy: Apparently that is not the case. They are two separate measures in the budget papers.

Senator FISHER: Thank you.

CHAIR: We will reconvene at 11.00 am.

Proceedings suspended from 10.46 to 11.02 am

Great Barrier Reef Marine Park Authority

CHAIR: I now call officers from the Great Barrier Reef Marine Park Authority. Dr Reichelt, would you like to make an opening statement?

Dr Reichelt: Thank you, no.

Senator IAN MACDONALD: Good morning, Dr Reichelt. The reef tax has been substantially reduced in the budget; is that correct?

Dr Reichelt: Yes. The EMC, as it is summarised, or the environment management charge, on tourism was reduced by $2.50 per person per day. It was a decision of the government to support the tourism industry in the Barrier Reef region. From the point of view of the impact on our revenue, the drop in revenue that would have come to the marine park authority for management of the marine park has been topped up or replaced by the government. So it has not impacted our budget, but it has been lowered for a period of three years.

Senator IAN MACDONALD: I am sure the tourist industry, which as you and I know is very much struggling, will very much appreciate that. But the money that is coming to you is just a line item. On page 16 of Budget Paper No. 2, it is a straight line item from the budget to GBRMPA; is that correct?

Dr Reichelt: I will ask Mr Elliot to summarise the position for you.

Mr Elliot: Where the other side of the equation can be found is now in departmental appropriation. Our departmental appropriation has been increased for next year by $3.45 million to reflect or to counter the reduction in the environmental management charge, which appears as our special appropriation.
Senator IAN MACDONALD: Where would I find that?

Mr Elliot: In table 1.1.

Senator IAN MACDONALD: Do you have a page number?

Mr Elliot: The page numbers I have here do not seem to quite equate with the ones you have there. I am just dealing with an extract from the PBS. I have table 1.1, being on page 7. It will be the first table in the Great Barrier Reef Marine Park Authority PBS.

Senator IAN MACDONALD: Because I cannot put my hand on it, is this a direct payment from Treasury to GBRMPA or is it just from the department to GBRMPA?

Mr Elliot: No. This is from Treasury to GBRMPA. So it appears under our bill 1 under departmental appropriation.

Senator IAN MACDONALD: I am not sure whether I misunderstood Dr Reichelt, but it is not a fixed figure; it is variable, is it, dependent upon what—the number of visitors?

Mr Elliot: That is correct. What happens is the special appropriation for the purposes of portfolio budget statements is an estimate based on what we think we will collect in the actual collections for the environmental management charge. What we get in reality is what we collect.

Senator IAN MACDONALD: So the government will not necessarily pay you $3.45 million for the next three years? They will pay you $2.50 times however many visitors there are?

Mr Elliot: That is correct.

Senator IAN MACDONALD: If that adds up to more than $3.45 million?

Mr Elliot: It will be adjusted in the next year.

Senator IAN MACDONALD: So you will get it?

Mr Elliot: Yes.

Senator IAN MACDONALD: That is interesting. In the past, this money has gone as a contribution by you to some reef research organisation.

Dr Reichelt: The funds have always come into our accumulated funds for the purpose of our management of the marine park as opposed to being specifically allocated for a particular action within our budget. There is not a direct link between those funds and anything other than how we determine to apportion each year. I am not sure if the link to research is the specific thing you are interested in.

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Senator IAN MACDONALD: Yes.

Dr Reichelt: I think 2004-05, probably, was the last time there was an investment by the marine park authority in a cooperative research centre which was based on the number of visitors. Twenty years ago it was based on 70c for each visitor. So the formula has changed over the years. But the authority discontinued that funding when the CRC for the Great Barrier Reef was wound up in 2004-05.

Senator IAN MACDONALD: It discontinued that funding when the CRC stopped?

Dr Reichelt: Yes.
Senator IAN MACDONALD: At the last estimates we talked about the health of the Great Barrier Reef. I asked some questions about the Western Australian and Queensland experiences. What is your current understanding of the health of the reef? Has it changed since we last spoke or is your view of the state of the reef much the same as it was?

Dr Reichelt: Thinking short term, things are better this year than last year. We have escaped the major climatic shocks and extreme flooding and extreme storms—touch wood!—this year. There are signs that the effects of those have ameliorated. The number of stranded dugongs has dropped significantly. However, the number of stranded turtles has not changed. Broadly, seasonally, we are better off this year than the last few years. There has been a paper published in the last 12 months which I think does paint a starker picture of the overall position of the Great Barrier Reef than we have previously thought. I think it is because more recent data has been analysed. There has been a reduction over 25 years in the amount of the total coral abundance in the Great Barrier Reef. The figures are significant. It is something like a 40 to 50 per cent reduction over 30 years. The principal contributor to that reduction has been the crown-of-thorn starfish. That accounts for some 40 per cent of that reduction. The other causes of the reduction have been concerns about coastal water quality and the things that you would know about, and the extreme weather events that we have had since 2006 have had a significant impact, which we would think would take quite a while to recover from.

Senator IAN MACDONALD: The extreme weather events being the major cyclones?

Dr Reichelt: Yes. And the floods.

Senator IAN MACDONALD: And the floods. Yes, that is right. What programs are we currently supporting to address the starfish? Are we still swimming out and killing them individually? Is that still part of it?

Dr Reichelt: There have been programs along those lines. There is consideration of whether that should be ramped up or continued in some way. I would say that the control of local sites has been the major approach. You can appreciate the scale we are talking and the difficulty in that it has to be done by hand. It is feasible to control sites of a scale, for instance, of hundreds of metres that a tourist operator would want protected. The other issue with the crown-of-thorns is that the signs are that there is an incipient outbreak beginning right now. In other words, the decadal cycle is beginning again. There are reefs with large numbers of starfish now in the region north of Cairns. In the previous three cycles since the 1960s or 1950s, that is traditionally where these elevated numbers have begun. That continues for possibly a decade.

Senator IAN MACDONALD: So they are 10-year cycles?

Dr Reichelt: It seems to be based more on the long cycles of weather and wet periods. Nothing is ever certain in science, but there is increasing evidence that it is quite predictable if you hindcast and look at when the big wet periods have occurred. There is enough biology known of the animal to know that the wet flush does encourage the larvae. It is an animal that has the biology to boom and bust, like a plague locust does. And, the same as a plague locust, when the weather conditions suit it, it takes off.

Senator IAN MACDONALD: Your data shows that about every 10 years following these cycles going back—I remember when I was a kid, some well-known doctors—

Dr Reichelt: Robert Endean.
Senator IAN MACDONALD: Endea; that is right. They were doing work on starfish.

Dr Reichelt: It is two things. It is the right conditions for the larvae to grow, and there needs to be enough coral for it to eat. It takes about 10 to 15 years for the coral to grow back.

Senator IAN MACDONALD: Where divers go out and kill individual starfish, that is funded principally by the tourist industry, is it?

Dr Reichelt: It has attracted funds from the Commonwealth, from the state and from the tourist industry.

Senator IAN MACDONALD: Who manages that—GBRMPA, AIMS or someone else?

Dr Reichelt: Thirty years ago it was the Navy and the marine park authority. Most recently, the Association of Marine Park Tourism Operators has had an organised program of seeking funding and conducting local scale controls. The attitude of the authority has changed over, I would say, the long-term period. Enough biology now is known that we probably are, through our nutrient enrichment of the Great Barrier Reef lagoon, having some acceleration effect on that starfish.

Senator IAN MACDONALD: Time is short and I am conscious others want to ask some questions, so I want to run through a couple of things very quickly. The budget has announced a $12.5 million grant to the Great Barrier Reef Foundation. Is that something that GBRMPA is involved in?

Dr Reichelt: Yes, it is.

Senator IAN MACDONALD: How?

Dr Reichelt: The priorities of the foundation are set in consultation with the marine park authority and others. When they have major projects, such as the one that they are conducting at the moment with the Bureau of Meteorology, the Australian Institute of Marine Science and CSIRO—it is called eReefs—the marine park authority has been closely involved in setting the priorities for that program.

Senator IAN MACDONALD: The Coral Sea is probably something I will leave to the marine parks. Your jurisdiction does not extend directly to the Coral Sea, does it, outside the reef area?

Dr Reichelt: No.

Senator IAN MACDONALD: Are dugongs and turtles something that GBRMPA enforces or is involved in, or is it a matter for other agencies? I am concerned that $5 million was allocated in September by the federal government to facilitate engagement with traditional owners regarding the monitoring and management of dugong populations. Is that something GBRMPA is involved in?

Dr Reichelt: That particular program would be managed by the department. I do know there are close connections with it from officers of the authority. We contribute training in compliance. We call it our eyes and ears program. There are now over 100 traditional owners who have been through the program of helping to monitor and collect evidence of illegal activity.

Senator IAN MACDONALD: But information like what part of that $5 million has been spent, where it has gone to and things about alleged rogue Indigenous rangers referred to in a 7.30 report are more for the department than GBRMPA?
Dr Dripps: The officers responsible for those areas will be here after lunch for program 1.1. They will be able to answer those questions for you.

Senator IAN MACDONALD: Thank you. That saves me wasting Dr Reichelt’s time. The ship *Integrity* was adrift beyond the reef. Is that something—not the breakdown—that your organisation was in any way associated with? Apart from obviously watching with concern if there was to be any impact on the reef, what was your role in that?

Dr Reichelt: Our role came in the move to tow the vessel to safety to a port. We were consulted on the towage plan for that as recently as yesterday. So we have an input in the actions that are taking place in the marine park. I believe it has been towed into Cairns.

Senator IAN MACDONALD: And you give permits for it to be towed through the park?

Dr Reichelt: No. Towing an otherwise seagoing vessel that has a broken engine is a matter for the Australian Maritime Safety Authority and Maritime Safety Queensland. It is actually an as-of-right activity in the Great Barrier Reef Marine Park. It is like anchoring; it is seen as an act of navigation.

Senator IAN MACDONALD: There was a recent review in early April of the management of the Great Barrier Reef. I think you made reference to it just a minute ago, did you?

Dr Reichelt: No. You may be thinking of UNESCO and the World Heritage visit. That is the most recent review. I was referring to a paper published by the Australian Institute of Marine Science a bit earlier on coral cover.

Senator IAN MACDONALD: I am really referring to a report in the *Townsville Bulletin* which reads:

A review of the management of the Great Barrier Reef has found it is only in a slightly better condition than the dying reefs of Indonesia and the Philippines.

While the Great Barrier Reef Marine Park Authority can still lay claim to the reef being the best-managed in the world, the organisation has been accused of not doing enough to protect coral cover and other reef species from significantly declining over the past 40 years.

It is a review, apparently, by Dr John Brodie and Dr Jane Waterhouse from JCU. It reviews how GBRMPA has managed the world’s largest natural attraction. Their paper is a critical review of environmental management of the not so Great Barrier Reef. It says:

… the body has not spent enough time on controlling factors such as water quality and climate change, which had led to large-scale coral …

Are you aware of the report that I am talking about?

Dr Reichelt: Yes. I have read the original article that that was based on.

Senator IAN MACDONALD: Have you read the report?

Dr Reichelt: The scientific report, yes, I have.

Senator IAN MACDONALD: Have you responded to it?

Dr Reichelt: We have not because the report actually did say that the management of the marine park has been improving in recent times. But I cannot lay any claim to that. What they are talking about is the very long history of the reef and the fact that it took a long time to realise the importance of fresh water and land run-off. They are acknowledging that the actions taken in the last few years with Reef Rescue, for instance, are beginning to improve
the situation. But they are drawing attention to the fact that it is not a pristine reef. It suffered pressures for some time before enough was known about its management.

Senator IAN MACDONALD: The paper seems to say that you have focused on managing tourism and access with the zoning and restricting fishing in some areas rather than paying more attention to water quality. Of course, they do say that was in the 1980s. They do acknowledge the rezoning as a very positive thing. You would say you generally agree with the paper because the paper is realistic and recognises that you are now addressing these issues that they complain of? I am not wanting to put words in your mouth.

Dr Reichelt: I do think that paper draws attention to important problems that need strong action. I took not so much the media reporting of it but the paper itself as a sign that some of the things we are doing we probably need to do more of, like working with the catchment managers, farmers, graziers and others to improve water quality, and to go beyond the zoning plan and things that I believe have been good initiatives and see what else we can do. I took it as a spur to action that we cannot be complacent.

Senator IAN MACDONALD: Finally, can you remind me about your involvement with the Reef Rescue package. I know we have spoken about this before. What is your involvement with the Reef Rescue package?

Dr Reichelt: We have a memorandum of understanding with the department to manage two elements. One is a program of marine monitoring. Each one is approximately $2 million per year. It will be a little more next year. The other one is a program of Indigenous partnerships, traditional-use marine resource agreements, and education and training for Indigenous sea country management. They are the two elements of what is a much larger program, essentially an incentive program for the farming community and the agricultural community, to go to best practice and clean up the water running to the Great Barrier Reef.

Senator IAN MACDONALD: Which impacts on water quality?

Dr Reichelt: Yes.

Senator IAN MACDONALD: The funding cuts out at the end of next financial year for Reef Rescue, as I understand it.

Dr Reichelt: I think the decisions have not been taken by government. But the current band of funding runs until next year, correct.

Senator WATERS: I have a number of issues that I would like to canvass. I want to start with what will be GBRMPA’s role once the approvals bilaterals that were fast-tracked through the COAG process conclude. When there is an EPBC proposal, GBRMPA advises where there are significant impacts on the marine park and on the World Heritage area; is that correct?

Dr Reichelt: Correct.

Senator WATERS: I have a number of issues that I would like to canvass. I want to start with what will be GBRMPA’s role once the approvals bilaterals that were fast-tracked through the COAG process conclude. When there is an EPBC proposal, GBRMPA advises where there are significant impacts on the marine park and on the World Heritage area; is that correct?

Dr Reichelt: Correct.

Senator WATERS: What is your understanding of what your role will be once those bilateral agreements as to approvals are made?

Dr Reichelt: I would have to defer. Since it is a hypothetical for me and I am not part of that review, I defer to the department.

Senator WATERS: Were you consulted on the communique of COAG before it was finalised?
Dr Reichelt: No. That is not something we typically would be involved in.

Senator WATERS: So you have not had discussions with the department as to what impact it will have on your role?

Dr Reichelt: No.

Senator WATERS: That is interesting in itself. Thank you. I will move to the strategic assessment. I will be asking the department later how that is progressing and for any update on the time frames. For the coastal and marine aspects, I understand GBRMPA is only associated with the marine aspect of the strategic assessment. What is your understanding of your role under the EPBC Act once that strategic assessment is completed?

Dr Reichelt: We have completed an agreement with the minister to undertake the strategic assessment of the area you mentioned. Its terms of reference were agreed in draft. They were put out for consultation. I think the period of consultation has just finished and the next step is to settle those with the minister, who would then announce the final terms of reference.

Senator WATERS: Is your understanding that your responsibilities will change once that is finalised?

Dr Reichelt: We are already committed to carrying out the assessment and we have agreed to agree on the final terms of reference. We have had a strong input into them. I think they are a good set of terms of reference. They may change after the consultation period. But our role will be to implement and complete a strategic assessment for the minister’s consideration. You have seen the terms of reference and the specific actions in there. There is a review of values impacts, policies, plans and programs.

Senator WATERS: Is your understanding that the purpose and the result of that strategic assessment will be to effectively reduce the Commonwealth’s role in the management of the GBR and effectively have that administered by the states under thresholds sets by that strategic assessment?

Dr Reichelt: That is not my understanding specifically.

Senator WATERS: Can you talk about what your understanding is of how your role will operate once that strategic assessment is finalised?

Dr Reichelt: Not specifically because I would have to do the strategic assessment first. We have very clear roles now. We will be assessing whether the policies, plans and programs, in a sense, of the EPBC Act that we have responsibility for are achieving the purpose. My expectation is that, once that is done, any apparent gaps or changes in roles would be evident from the conclusions of that assessment. But I do not have any preconceptions about that.

Senator WATERS: I might take that up with the department in a later session. I want to move now to the UNESCO investigation, which Senator Macdonald referred to as well. Did you provide a written briefing to UNESCO when they were on their monitoring mission?

Dr Reichelt: We certainly provided oral briefings.

Senator WATERS: Has that been released anywhere?

Dr Reichelt: I do not think it was recorded.

Senator WATERS: The notes of such? Are we able to request that you table a copy of any notes that were made of that meeting?
Dr Reichelt: The material is drawn from publicly available documents. I can check.

Senator WATERS: In that case, if you could table the notes, that would be great.

Dr Reichelt: I could table the reference to the documents, perhaps.

Senator WATERS: Sure. Were you consulted on any draft reports that are being prepared by UNESCO?

Dr Reichelt: No. I met with the mission.

Senator WATERS: Or on the final report?

Dr Reichelt: No. The mission is understandably keeping close their final report. I gained an impression of the types of issues that they had. They had met with many people along the coast. The report and the response to it will be a responsibility for Australia, led by the portfolio. So that would be a departmental matter.

Senator WATERS: Will GBRMPA be attending the World Heritage meeting in July where that report is discussed?

Dr Reichelt: I am proposing to send an expert in heritage matters to the next meeting to support the Australian delegation rather than representing GBRMPA’s specific views.

Senator WATERS: Is GBRMPA concerned that the effectiveness of the strategic assessment that is currently proposed will be either reduced or compromised by the strategic assessment not including projects that are currently on foot or that will be referred before the strategic assessment has finished?

Dr Reichelt: If I understood your question—

Senator WATERS: In your view, will that in any way compromise or reduce the effectiveness of the strategic assessment?

Dr Reichelt: No. At any point in time there are matters in train and as the legal processes dictate. I am not setting the timetables for those processes. What I am doing is preparing to do the best possible strategic assessment. I do not think in the larger scheme of things actions taken in the interim will alter the strategic assessment, and any decisions taken in that period are really not a matter for the authority, by and large, because the decisions for that rest with the minister. In other words, there is not much in the marine park where decisions rest with the authority.

Senator WATERS: As opposed to the World Heritage area, sure. The Abbot Point multicargo facility was just at the end of last week canned by the new Queensland state government. Have you heard any rumblings or are you aware that any proposals will now come to you? Basically, now that the multicargo facility, which was a cumulative project, is scrapped, are you worried that there will be a multitude of much smaller ports now proposed and, hence, increases in shipping that will impact on the marine park and offshore dumping, for that matter, which I want to come to in a moment?

Dr Reichelt: I do not see the tight connection between the two issues. My view on the numbers of ports has been put on the public record in terms of fewer, better managed ports. That was quite a broad statement and not a matter of government policy by either Queensland or the Commonwealth. It was a view of me as the marine park chair on impacts on coastlines, really. On the question of the recent media announcement, I have yet to see that. We would
expect as an authority to hear directly from the department once they receive material relating to any proposals they may be considering.

Senator WATERS: Would you be concerned about a possible multitude of smaller ports rather than that one larger facility?

Dr Reichelt: Concerned or otherwise, my view is that the growth of ports would be better managed by not fragmenting the coastline, as I said in the media at the end of last year on the Four Corners show. How that translates into policies and decisions of ministers really would need to be the subject of a much fuller analysis and not my decision.

Senator WATERS: Sure. I understand. I want to move now to offshore dumping. Can you tell me where the proposal to pay to dump dredge spoil in the marine park is at now?

Dr Reichelt: It has been out for public consultation, which was closed. The state of play now is that the government has not taken a decision on that proposal.

Senator WATERS: Did the authority make a submission or otherwise convey its views to the Australian government on that proposal?

Dr Reichelt: Our role was to, on behalf of the government, conduct a public consultation. That is where it sits. Any decisions taken on that rest with the government’s budget processes.

Senator WATERS: Have the marine park authority taken a view on whether it is a proposal that is going to be positive for the long-term management of the reef or, in fact, not positive?

Dr Reichelt: It has been so tightly related to the budget processes, it is not something about which we would begin a new line of government policy development. We will comply with the government’s policy once it is decided on that matter.

Senator WATERS: And you have not expressed a view as to whether it is a good idea?

Dr Reichelt: I do not think I can go much further, Senator, in the sense that it is a budget process to do with levies. We were asked to do the consultation. We have complied with the government’s wishes, and they are yet to make a decision.

Dr Dripps: It is also the case, is it not, Dr Reichelt, that it is GBRMPA’s policy that land based disposal of dredged spoil is the preferred mechanism if and when that is available? If it is not, then disposal of spoil within the marine park is contemplated.

Dr Reichelt: Those attitudes of the marine park authority, as Dr Dripps outlined, have not changed. So that is correct.

Senator WATERS: Thank you. I will come back to that point. On the budget issue, what are the projected revenues per annum from the plan to charge a fee for dumping in the marine park?

Dr Reichelt: No decision has been taken on going ahead with a fee to dump in the marine park.

Senator WATERS: Were projected revenues in the budget or the forward estimates?

Dr Reichelt: No.

Dr Dripps: No.

Senator WATERS: Perhaps my other question is a bit premature, but I will ask it anyway. I am interested in the proportion of the marine park authority’s total budget. If the
charge does in fact proceed as the government presumably intends, what proportion of your budget will the revenue from this new charge be? Is it going to be a massive proportion or just a small amount?

**Dr Reichelt:** I think the forward projections of future government decisions I would be unable to answer.

**Senator WATERS:** Perhaps I will come back to that once we have the figures to hand. Are there any checks and balances that are being mooted about how GBRMPA will manage this charge? Are there any criteria that will ensure you are not effectively approving things that you might otherwise not wish to approve simply to get the dough?

**Dr Reichelt:** I sound like a broken record, but those decisions have not been taken, so it would not be appropriate to speculate on how they are to be managed.

**Senator WATERS:** I am sure that the authority is expressing a strong view on that front to the minister. I will not press you on that, but I am sure you are. On the land based dumping alternatives, you mention that the policy is to prefer land based dumping. Has GBRMPA undertaken an evaluation of the land based dumping alternative sites, or has it asked any other body to do so?

**Dr Reichelt:** In the past, each case is taken on its merits. There are parts of the coast where land based dumping is not preferred. In other words, there is more damage to be done by disposal on a piece of the coast. So it is case by case. Each one is based on a risk assessment. I could not make a general comment on it other than to repeat the earlier remark that the general approach would be to not dispose of dredged spoil in the marine park unless there was no other alternative available. Then it would be likely under quite a few constraining conditions.

**Senator WATERS:** Is there any list anywhere of those land based alternative dumping sites, or, as you say, are they just proposed at the time depending on the project?

**Dr Reichelt:** The latter. They are proposed at the time. Given that the marine park only goes to low water along parts of the coast, they are usually the subject of other parties’ decisions.

**Senator WATERS:** I have one final question. Senator Macdonald referred to this as well. I am interested in your role in the response to the shipping incident at the weekend, which thankfully was a crisis averted with the *Integrity*. At what stage did GBRMPA become involved?

**Dr Reichelt:** The incident reports started circulating amongst the controllers, I think, fairly soon after the vessel was reported in that it was immobilised. We received those reports. The level of escalation for the authority is much higher when they are close to the marine park. We become directly involved if the vessel is to be brought into the marine park. I believe it may have been already. I read the towage plan was to bring it into Cairns because that was the least risk in terms of towage through channels. Once the vessel was under tow, the riskiness in the situation dropped to very low.

**Senator WATERS:** Did you have any sort of regulatory or other input into that response process prior to the towage being secured?
Dr Reichelt: No, for two reasons. One is it is outside the jurisdiction of the Great Barrier Reef Marine Park Act. We are informed because it is near to. The other thing I mentioned earlier is that the act of towing an otherwise seaworthy vessel does not require a permit.

Senator WATERS: Sure. I heard you on that. That was helpful. If, for example, the ship had been just outside the marine park boundaries, would your role have been any different?

Dr Reichelt: If there was a national maritime emergency declared and it was close to the marine park, we would be closely involved.

Senator WATERS: But if that declaration was not made, your role would only be invoked once the vessel was inside the marine park boundaries, even if it had potential to damage the marine park from being adjacent or just outside?

Dr Reichelt: The minute a risk to the Great Barrier Reef Marine Park becomes a possibility, we are closely consulted by both the state and federal regulators.

Senator WATERS: So your jurisdiction is not invoked merely by the boundaries, it is by the potential for impact on what lies within the boundaries. Is that correct?

Dr Reichelt: Correct.

Senator WATERS: Thank you.

Senator IAN MACDONALD: Senator Waters raised this. You briefly mentioned the UNESCO visit. I am not sure if your body language was telling me anything. Can you tell me what your involvement with the UNESCO group was?

Dr Reichelt: My hesitancy was that I am not sure there are any specific documents other than some PowerPoint slides drawn from the very public documents available. My role was to brief the mission close to their arrival time on how the Great Barrier Reef Marine Park functions and on various management measures. I met with them another time with officers of the department to discuss what the concept of outstanding universal value, which is how you become inscribed on a list for World Heritage, means in the Great Barrier Reef Marine Park and how would you assess those values. So it was essentially a technical workshop, which we conducted with the department for the two visiting experts. It is a concept that is not that well developed worldwide.

Senator IAN MACDONALD: So the interaction between you or your staff or GBRMPA and the visitors was what?

Dr Reichelt: I am sorry, I have overlooked the fact that we provided a staff member to accompany them, which is quite a bit of involvement, to assist with answering questions along their visit.

Senator IAN MACDONALD: What was the staff member rather than who? What sort of person?

Dr Reichelt: One of my general managers.

Senator IAN MACDONALD: Scientifically based?

Dr Reichelt: Knowledgeable in the management aspects—the compliance and regulation.

Senator IAN MACDONALD: More than the science, yes.

Dr Reichelt: Not so much the science but the management and the partnership with the state of Queensland. I want to clarify. The mission was essentially at the request of the
Australian government. The department is the representative or manages Australia’s relationship to that commission. So the mission tour was not organised by the authority, but we did whatever we could to support it and give information.

**Senator IAN MACDONALD:** Dr Grimes, this group was there at the request of the government.

**Dr Grimes:** I might hand to Dr Dripps to answer that question. She handled the arrangements, including the earlier discussions that occurred at the last World Heritage committee meeting last year, at which Dr Dripps was personally present.

**Dr Dripps:** It is correct to say that the Australian government, as in the state party, invited the mission to come to undertake their active monitoring mission of the Great Barrier Reef. The reason we issued that invitation is because of a finding of the World Heritage committee meeting last year that essentially directed us to do so.

**Senator IAN MACDONALD:** And the World Heritage committee is?

**Dr Dripps:** The World Heritage committee is a UNESCO committee under the United Nations arrangements. It consists of 194 signatories to the World Heritage convention. Those 194 countries elect 21 members to the World Heritage committee at any one time. So they are representatives of 21 countries across the world who form the World Heritage committee for a four-year term.

**Senator IAN MACDONALD:** Could you on notice refer me to a website that would give me who the personnel on that World Heritage committee are? I assume it would have their qualifications for being on that committee.

**Dr Dripps:** We can certainly provide you the linkage to UNESCO’s World Heritage committee home page. I have looked at that home page recently and I do not believe that it includes the names of the individual members from the countries. But we can undertake to attempt to provide that material for you. Indeed, we will try to do so by the time the heritage output is discussed tomorrow morning.

**Senator IAN MACDONALD:** They are releasing their report. I happened to be on a parliamentary delegation that met with UNESCO in Paris. They were obviously coy about prereleasing their findings. My gut feeling was that they may not have the same pride and gratitude for the management of the reef that most Australians have. Hopefully I am quite wrong about that. Do we know why the World Heritage committee suggested—I forget your terminology—that the reef be inspected by some of their people?

**Dr Dripps:** Yes, we do, Senator. The reason that the reactive monitoring mission was determined at the last World Heritage committee meeting was in response to decisions that both the Australian and Queensland governments had made to approve the development of liquefied natural gas plants on Curtis Island at Gladstone. Those developments were within the World Heritage area and so were of concern to the World Heritage committee.

**Senator IAN MACDONALD:** As a result of that, they decided that they would come and inspect it. They asked the Australian government to invite them to come and do that?

**Dr Dripps:** That is how the World Heritage convention works, yes.

**Senator IAN MACDONALD:** Dr Reichelt, Curtis Island is in the Great Barrier Reef marine boundaries or only part of it?
Dr Reichelt: No, none of the island is inside the marine park. It is one of the 12 port exclusions of the park on the coast. It is in the World Heritage area.

Senator IAN MACDONALD: It is in the World Heritage area but not in the marine park?

Dr Reichelt: Correct.

Senator IAN MACDONALD: Your recollection of history would be better than mine. How does that happen? Does the World Heritage area include a fair bit of the land and seas that are not actually part of the Great Barrier Reef Marine Park?

Dr Reichelt: The amount is about one per cent, so it is not a fair bit. I will just explain. The original marine park was designated to be the coast of Queensland to the low tide mark, with quite a lot of exclusions along the coast for future development, and then out. As you know, it is a straight line boundary from Torres Strait and down the outer Barrier Reef and around through to just north of Bundaberg. There were quite a few exclusions. Then the marine park and the zoning plan which regulates use initially only declared small areas. It reached its current size around 2003-04 at the major rezoning program, you will recall. But the exclusions were changed in 2000 or 2001, where essentially the state gave back quite a lot of the coastline. The exclusions were then purely areas marked for current or potential port growth.

Senator IAN MACDONALD: When you say ‘gave back’—

Dr Reichelt: It was agreed that the marine park grew up to the coastline in areas that were of no interest for port development.

Senator IAN MACDONALD: So what is GBRMPA’s role in Port Curtis and the Gladstone Harbour?

Dr Reichelt: We have no role in approval of the major projects other than to provide advice on any potential impacts that might be of concern or require conditions in the marine park—in other words, in the waters adjacent to the major development.

Senator IAN MACDONALD: So anything that happens in Gladstone Harbour that could have an impact in the marine park you have a role in?

Dr Reichelt: No. We do not. We have an advisory role, I should say. We have experts who can assist the department and the state of Queensland.

Senator IAN MACDONALD: Is there any other Australian authority—I guess they are state waters rather than federal waters—that you are aware of that has jurisdiction over Curtis Island and the Port of Gladstone, apart from the Queensland state authorities?

Dr Reichelt: No. A large number of the islands in the Great Barrier Reef are deemed to be part of the state of Queensland. They are also in the World Heritage area but they are not part of the marine park. If you are thinking whether there is an equivalent body to GBRMPA operating in the harbour, apart from the project approvals and conditioning made by the federal minister administered by the department, there would be state bodies, environmental and maritime bodies, that would have jurisdiction over the actions in the harbour.

CHAIR: Senator Macdonald, I have a few questions. I have left you as long as I can. I have eight minutes left.
Senator IAN MACDONALD: I am sorry. I thought there was no-one else. I want to finish this one question. It is to the department. Does the department, under the EPBC or anyone else, have authority over what might happen in Queensland state waters—that is, Curtis Island, Port of Gladstone, Abbot Point?

Dr Dripps: Yes, we do, through the approvals process under the EPBC Act.

Senator IAN MACDONALD: And that is done by the department?

Dr Dripps: That is correct.

Senator IAN MACDONALD: I understand that the World Heritage council was urged, if I might say for want of a better word, by WWF to have a look at Gladstone Harbour. Is that correct? Are you able to confirm or otherwise that information? Why did the World Heritage committee take this interest in Gladstone? Was it at the urging of WWF or the IUCN?

Dr Dripps: I would have to take some advice from the officials involved at the time of precisely what drew the matter to the attention of the World Heritage committee. They do undertake a regular scan of things that are occurring worldwide and take a particular interest in World Heritage sites. But we can take that on notice.

Senator IAN MACDONALD: Can you try and find that out for me, please?

Dr Dripps: Yes. We will try and find out for the heritage session tomorrow morning.

CHAIR: Dr Reichelt, will there be an update on the Great Barrier Reef outlook report 2009?

Dr Reichelt: Yes, there will, Chairman. Under our act, they are required every five years, so we must provide it to the minister to enable him to present it to parliament by mid-2014.

CHAIR: In the 2009 report, it identified climate change as one of the greatest threats to the long-term health of the Great Barrier Reef. Is that still the view?

Dr Reichelt: Yes. It is the authority’s view that that has not changed. The trends remain as they were then, if not with shorter timelines than previously thought. Basically, our position has not changed. It is strategically by far the greatest threat to the Great Barrier Reef.

CHAIR: By far the greatest threat. So the identified issues were severe weather events, ocean acidification, rising sea temperature and rising sea levels. They are still all the issues that you are having to deal with?

Dr Reichelt: Yes, they are.

CHAIR: The report asks what this means for species. Are there any significant things we should be looking at?

Dr Reichelt: There is a long list of impacts from even reducing to the headline threats, such as rising temperature and acidification. Variable extreme weather events are probably the third. The impacts concerns are considerable, and collapse of biodiversity and the structure of coral reefs. The only new information I have seen since that report was written shows that the actual impacts may be more patchy than were once thought. In other words, there is less chance of there being zero corals overnight than people had assumed. Perhaps non-scientific readers had assumed that that would disappear immediately. I think the risk of widespread coral bleaching—for instance, a loss of 50 per cent of the corals within a few months in an
extreme bleaching event—remains a real possibility, but we cannot say when. Its likelihood keeps going up.

**CHAIR:** So they are the threats to the coral, but what about threats for individual species?

**Dr Reichelt:** The loss of biodiversity involves many thousands of species that rely on the structure of the reef and living in and around the corals. Some of the things that do not receive so much publicity are the sea birds on the Great Barrier Reef, where changing circulation patterns are altering the movements of bait fish which the sea birds depend on. Their breeding success is likely to be affected. Some of the Great Barrier Reef islands are amongst the world’s most important bird rookeries for tropical birds.

**CHAIR:** So you would not agree with the view that animals would not notice a doubling of CO2 and plants would love it?

**Dr Reichelt:** I would think that would be a grossly simplistic way of describing any impact on an ecosystem. The implication of a doubling of the increasing CO2 levels is that they are likely to increase global warming. They are likely to bring on these temperature effects. In short, no, I would not agree with it.

**CHAIR:** So it is wrong as well as grossly simplistic? Is that your view?

**Dr Reichelt:** I think I would be speaking outside my specialty. I do know that some fish, for instance, can live in acidic water, because we have seen that along the coast of New South Wales in the Tuckean Swamp. We have seen the effects of acidification in that much of the other biodiversity was negatively affected. While it may apply in some areas that are not calcium based, the acidification effect on corals is about their ability to make skeletons. In some areas, that some plants and animals can live in highly acid waters really does not apply, I think, to the southern oceans and to the tropical calcium based systems like coral reefs.

**CHAIR:** So how many people have you got working on this greatest threat to the Barrier Reef? How many people are actually engaged in working on that issue within your authority?

**Dr Reichelt:** We have a small expert group of only a few people who advise. They coordinate input from other sources to write the outlook report. We rely heavily on a very large number of sources, so we have a relatively small climate group of only a few people. I would describe most of the work of the rest of the authority targeted at building the resilience of the Great Barrier Reef. We have talked a lot about water quality and other effects. The logical response from the authority’s point of view is to inform about the risks, which we do through the outlook report, take strong action to adapt, where it is possible—we work with industry sectors on what they can be doing to adopt—and we work on resilience.

**CHAIR:** Do you engage with the BOM and the CSIRO?

**Dr Reichelt:** Yes, we do.

**CHAIR:** What about universities?

**Dr Reichelt:** We have close relationships with scientists in James Cook University, Queensland University, the Australian National University and probably others that I do not know so well.

**CHAIR:** And the scientists, BOM, CSIRO and the universities are still of the same view—that climate change is the major threat to the Barrier Reef?

**Dr Reichelt:** Yes. I have not seen any step away from that position.
CHAIR: Thanks, Dr Reichelt. That concludes your appearance here today. I will now call the director of National Parks.

Senator IAN MACDONALD: I want to make the point that GBRMPA is more of a management authority than a scientific group. Is that right, Dr Reichelt?

Dr Reichelt: We employ a lot of scientists, but they are working in management.

Director of National Parks

CHAIR: Mr Cochrane, welcome to this estimates hearing. Would you like to make an opening statement?

Mr Cochrane: No. Thank you, Chairman.

CHAIR: I invite questions.

Senator BIRMINGHAM: Mr Cochrane, welcome again, as always. The PBS states that visitation to the parks remains at historically low levels, which of course is having an impact on your budget in terms of non-government income. Are you able to give us some visitation data for your two major parks in Uluru and Kakadu such that it gives a comparison of current versus historical visitation numbers, please?

Mr Cochrane: Yes, I can. Thank you for the question. We do continue to suffer both in terms of visitor numbers and revenue from a general decline in visitation across Australia, and particularly in regional and remote areas. The decline that we are experiencing and continue to experience at Uluru Kata Tjuta National Park and Kakadu National Park is consistent with trends experienced by other regional and remote attractions in the Northern Territory. In terms of the specific case for Kakadu, the visitor numbers in the current financial year have declined by about 11 per cent, although it is a very difficult comparison year on year to make right at this particular time as the visitor season is just starting to pick up. It is a little earlier than last year. You might recall—I think you asked this question at a previous Senate estimates—we were suffering some very extended wet seasons that started early and ended late, and that had a very big impact on us. This year, the wet season seems to be on track and perhaps ending a little earlier, so I am hopeful this financial year those numbers in both revenue and visitors will pick up.

Our visitor numbers to Uluru for the year to date have actually increased a little. They are up three per cent. They are still at comparatively low figures from previous years. I will give you the hard numbers, if you like. For Kakadu, last financial year, 2010-11, compared to the previous year, our numbers were down about 16 per cent. At Uluru, with the same comparison of the 2010-11 financial year with the previous year, they were down 19 per cent. They are generally reflective of the experience in the Territory. That obviously has a pretty much proportionate impact on our budget.

Senator BIRMINGHAM: Are you able to give us raw data in terms of the actual visitor numbers, Mr Cochrane?

Mr Cochrane: In Kakadu, we actually estimate. Our generally published visitor numbers are actually estimated from vehicle traffic counts. In 2010-11, we estimated we had 175,423 visitors that financial year. At Uluru Kata Tjuta that same financial year, the last financial year, it was 270,542 visitors. The Uluru figures we base on ticket sale receipts because everyone comes through one entry station. That is probably a little more reliable except those
numbers are not directly comparable between parks because in Kakadu we estimate people coming through based on the traffic counters. At Uluru, it is tickets sold, and that is actually adults 16 years and older. So we do not count children.

Senator BIRMINGHAM: Do you have the 2009-10 figures there? I can obviously do the maths separately if need be.

Mr Cochrane: Still working on financial years, in 2009-10, at Uluru, we had 334,240. That gives you the decline of 19 per cent that I gave you before.

Senator BIRMINGHAM: So 64,000 people.

Mr Cochrane: At Kakadu, in 2009-10, we had 207,657 visitors estimated enter the park. That gives you the decline of 16 per cent that I mentioned.

Senator BIRMINGHAM: About 22,000 people.

Mr Cochrane: Roughly, yes. The difference between those two years is 32,000, actually.

Senator BIRMINGHAM: Indeed. In terms of comparing that with more historical averages in terms of peak visitations, how far down are you from the halcyon days, as such? When were they, Mr Cochrane?

Mr Cochrane: Our best days for both parks really were around 2000 and 2001. We believe that was an effect associated with the Sydney Olympics. There has been a fairly steady trend downwards since then in both parks.

Senator BIRMINGHAM: Roughly if you do not have exact numbers, what were your annual visitor numbers like around about 2000 and 2001?

Mr Cochrane: I do not have numbers going back that far. From memory, around 2000 and 2001 at Uluru, they were around 400,000. At Kakadu, the numbers are not comparable because we started measuring by traffic counters in 2005. For the four years previous to that, there were no fees at the park and we did not actually monitor. Before that we had estimates based on a counter at the visitors centre, which I would have to say was a little unreliable because it measured people going to the visitors centre, not necessarily the park. Actually, our peak number over the last seven years at Kakadu was actually in 2008.

Senator BIRMINGHAM: Which was approximately what?

Mr Cochrane: If you take the financial year, we had 229,111 estimated visitors.

Senator BIRMINGHAM: Thank you. In Uluru, it is more than 25 per cent off the peak over the course of a decade. Obviously that is having a significant impact. The current budget year, I think, shows receipts of about $13 million in private income and takings. That, presumably, would equally be 25 per cent down if this were roughly consistent across the board. It is down on what you would have hoped for if visitor numbers had been maintained?

Mr Cochrane: Yes. You are looking at our overall budget numbers, I think, now are you not, for goods and services?

Senator BIRMINGHAM: Yes.

Mr Cochrane: Fortunately, we have a slightly better story at some of our other parks. Booderee at Jervis Bay has had a reasonably slow but steady rise. The botanic gardens is similar. We are also working hard to encourage new businesses to establish in the parks, be they tourism businesses or things like bookshops, cafes et cetera. We have been in some cases
renegotiating the leases there on more favourable terms to us as well. So we are exploring all the revenue opportunities open to us.

Senator BIRMINGHAM: Indeed. Mr Cochrane, I imagine this might be more the case for Uluru than Kakadu because doing a vehicle count must make it fairly hard to ascertain where the visitors are coming from. In terms of Uluru and the profile of your visitors, how has that changed? Overall Australian tourism numbers show dramatic drops from some traditional destinations like Japan but some strong growth from areas like China. Are you showing a similar trend?

Mr Cochrane: The growth in China and the overall numbers, I am aware, to Australia have grown quite dramatically from China off a relatively small base. That effect, as I understand it, from tourism statistics, is mostly felt in the capital cities at the moment. There have been some, if you like, exploratory visits, by the Chinese. Three charter jets arrived over the Christmas period from China to Uluru.

Senator BIRMINGHAM: A rather hot time of year.

Mr Cochrane: We are encouraged by that. I do not have the statistics. We do not collect statistics on the source markets at each park. When we do visitor surveys, we usually ask where people come from. We do not do as many of those as I would like. We have data, but it is a few years old now, on source markets. I come to your specific question about Uluru. Probably about the time of the Olympics, our visitation to Uluru was predominantly international. It was possibly as high as 60:40. Over time and particularly with the global financial crisis, and a pretty marked drop in international visitation particularly to, again, more remote areas, we found that aggressive marketing by the resort at the time built the domestic market up considerably. So it is now about fifty-fifty. They have maintained occupancy rates and that has helped us. I think our visitor numbers would have been better than they would otherwise have been.

Senator BIRMINGHAM: At least intuitively, your sense is that whilst there has been significant growth in Australia’s overall tourism market from China, which in a depressed tourism market has been the only standout, internationally you have suffered the negatives but are not enjoying the positives at present in terms of being able to capture that one area of significant growth?

Mr Cochrane: I might add that the numbers from India have also increased significantly, although we are not yet seeing that. Again, I think most of those effects are in capital cities at this stage. One would hope from our perspective they are relatively immature markets at the moment and that they are really finding their feet coming to Australia. But we are hopeful and we are working with Tourism Australia and NT Tourism to explore what we need to do to attract those markets out to our more remote attractions.

Senator BIRMINGHAM: It is much like the early waves of Japanese tourists. The Chinese tourist market is a highly organised market in terms of travel groups and tour groups and so on. If you can crack it, the potential is there for something significant, so you are engaged in those discussions with Tourism Australia. I guess if there was one thing in terms of addressing those visitor numbers that government and tourism authorities could most do to help you, it would be to tackle that China market and give you a leg in there?
Mr Cochrane: Absolutely. Tourism Australia has done a lot of research and, as you would probably be aware, it received some additional funding in this budget specifically to tackle the China market. They have surveyed all of Australia’s key markets, including China, India and other key Asian markets. For all of those markets, Australia’s environment is still the single most motivating factor for people to travel. The issue for us is it does not actually translate yet into people going out into national parks and the sorts of numbers that would make a difference to us. But that is very much a target of ours to increase those numbers from those markets. As you said, the numbers in those markets are absolutely enormous.

Senator BIRMINGHAM: It is about converting that intent and desire into action?

Mr Cochrane: Absolutely. It is at the forefront of our minds.

Senator BIRMINGHAM: Aside from those preliminary discussions and so on, are there any particular actions that are being pursued in that regard?

Mr Cochrane: Right at the moment, we are investing considerably, both ourselves and with Tourism Australia, in increasing our web presence. We have certainly invested a lot in the last couple of years in making our website more attractive and more relevant with more information for visitors. We have targeted most of what we do towards visitors to parks to provide them with the information we think would be useful to them to add to that compelling reason for visiting. The Chinese are very heavy web users, so that is a relatively cost effective opportunity for us to continue to work with, again collaboratively, Tourism Australia.

Senator BIRMINGHAM: And that web presence will have Chinese targeted aspects to it in terms of language as well?

Mr Cochrane: I am glad you asked that. It is exactly the conversation I had a week ago about some of the things we need to do. We do not have the resources to do that, but I am hoping, working with Tourism Australia, we will be able to do something collaboratively with them.

Senator BIRMINGHAM: You have indicated as well that you have managed a decrease in your staffing costs as a result of terminating some agreements and consolidating some casual and part-time positions within the organisation. In what areas are those positions, and is there any operational impact as a result of those decisions?

Mr Cochrane: Our first priority is to do our best to ensure there is as little and hopefully no operational impact from that smaller investment in staffing. We went out to all our staff some months ago seeking their views on what we could be doing more efficiently and more effectively. We actually had a very good response from that. I am reasonably comfortable at this stage, although we are yet to finalise our exact allocation of funding for next financial year, we will be able to maintain effort in all our key areas. I might point out that in the portfolio budget estimate we estimate that our staffing next year will be around 275. It is actually 275 at the moment, or as of the last pay period. So we are managing with that number of staff at the moment.

Senator BIRMINGHAM: As well as showing a decline in your employee expenses, the PBS shows, particularly over the forward estimates period, a decline in supplier expenses. That is some very clever budget management on your part, Mr Cochrane—page 145—in that you must be the only organisation around that is seeing a steady decline over the next few
years in the costs attributable to suppliers. Is there a particular reason? Are there activities that you are not undertaking that are going to see that decline occur?

Mr Cochrane: Well, there will be over the next few years some things that we will probably do less regularly and we will have to make some careful judgements about, such as feral animal control. In some of the work we are doing, we are looking at whether we can do it more efficiently in-house, for example. We are looking at perhaps centralising a few functions that are distributed in parks at the moment. They are there for good reasons. Nonetheless, as things get tighter, we can do those things more effectively. They would all result in reduced goods and services outlays for us, obviously. These are our best estimates. As you know, we are subject to a fair bit of variation from the external world.

Senator BIRMINGHAM: So no decisions are necessarily being taken. You talked about potentially reducing the frequency of feral animal or feral pest eradication programs or doing more in-house. But these are all options under consideration to rein in your supplier costs, not necessarily decisions that have been taken yet?

Mr Cochrane: That is correct, although the broad directions we are beginning to implement. An example is running a much tighter ruler over travel. At the moment, we tend to have vacancies that are lasting a bit longer than might otherwise be desirable. We can wait for three or four months before we fill a vacancy because it occurs during a quiet period. We can find some efficiencies from doing that.

Senator BIRMINGHAM: I want to move to the feral animal space. Do you commission or undertake or authorise the camel culls around Uluru, or is that something handled elsewhere?

Mr Cochrane: No. That is funded out of Caring for our Country. We do undertake some camel control within the park—that is our responsibility—but we have culled relatively small numbers, although I understand in the last few months the numbers have increased reasonably significantly in the park. So I expect that we will be undertaking some more culling within the park. Obviously we do that pretty carefully because there is quite a few people in the park.

Senator BIRMINGHAM: What are your current estimates in terms of camel numbers in the park?

Mr Cochrane: I would have to take that on notice. I am not going to hazard a guess.

Senator BIRMINGHAM: Obviously you have been presented with evidence that leads you to say that those numbers have increased significantly?

Mr Cochrane: Anecdotal evidence that people have seen them more frequently. There are more regular reports of them on records, or visitors anecdotally report they have seen them from a distance.

Senator BIRMINGHAM: Do you undertake culling activities annually or just on an as-needs basis?

Mr Cochrane: Pretty much on an as-needs basis we will monitor, again, through some structured surveys but probably more from anecdotal reports from rangers as they conduct patrols. If numbers start getting into problem areas, we will take action then.

Senator BIRMINGHAM: I assume the culling is a cost to the organisation, or are you able to recover sufficient costs through the sale of camel meat or the like?
Mr Cochrane: Not at Uluru. The numbers are too small for any sort of cost recovery. It is a direct cost to us. We have authorised officers who are licensed to use firearms. They are the ones that will undertake the culling for us. At Uluru, as I said, the numbers are too small. In Kakadu at times, the numbers get large enough for it to be commercially viable for a commercial operator to come in and take a number of animals out. But that is not an annual event by any means.

Senator BIRMINGHAM: With regard to Kakadu, there have been some criticisms recently about the state of roads to and from Kakadu. There probably always are to some extent. Do you have concerns at present that there is a particular problem there in terms of the quality and state of those roads?

Mr Cochrane: Well, as a regular visitor to the park, I have noticed a general decline in the quality of the roads to the park, particularly the Arnhem Highway. It gets a pretty terrible beating. If you have been out there yourself in recent years, you will see that a lot of trucks use that road. Some of them are moving rock for construction work in Darwin. Others are associated with the Ranger uranium mine.

Senator BIRMINGHAM: Those roads, you say, have been suffering a general decline. They are all the responsibility of the state government in terms of management?

Mr Cochrane: The Territory government does look after the Arnhem Highway and the Kakadu Highway. There are roadworks underway, if I recall from last week, at the moment on those roads. They do get hammered not only by vehicles, as I said, but also by the wet season. I suspect the degree of damage is pretty proportionate to the extent of the wet season. There are parts of that highway that go under water for days at a time. That obviously is a difficult thing. There is essentially an annual repair task there. In my personal view, the biggest impact has been the growth in the number of trucks travelling to and from the mine site. They have had the single largest impact.

Senator BIRMINGHAM: Do the operators of Ranger provide any assistance there or would that essentially just be through their payments to the Territory government?

Mr Cochrane: I am not able to answer that question. That is not something I have a responsibility for or any knowledge.

CHAIR: Senator Birmingham, there are three other senators with questions. I am happy to go through to 12.30 pm with your questions.

Senator BIRMINGHAM: I will attempt to wrap up. I will address one other issue, which is the yellow crazy ants eradication program on Christmas Island. It was a highlight in last year’s budget papers. Remind me, Mr Cochrane: was the funding for one year only?

Mr Cochrane: No. We secured four years.

Senator BIRMINGHAM: So the program is now in its second year?

Mr Cochrane: Well, it is actually in its sixth year now because we had four years of funding before and the current four years is a continuation.

Senator BIRMINGHAM: In its sixth year, what inroads are you making towards eradication with another three years of funding in the pipeline?

Mr Cochrane: Well, our predominant focus is controlling crazy ants and minimising their impact on the park’s biodiversity. I do not think we are at all aiming at eradicating the ants on
the island. The island is far too complex and the ants are far too pervasive and difficult to control for us to think that we will eradicate them. But we have a—

Senator BIRMINGHAM: They are clever in their craziness?

Mr Cochrane: Yes. They can spread quite rapidly. The park is very, very difficult to tackle. It has a very rough typography. Senator Siewert knows the island, I think, quite well. There are parts of it we can manage quite successfully in terms of baiting ants by hand. But for the more difficult areas, we bait aerially by helicopter. We have done two of those. The kill rate of the super colonies of yellow crazy ants from the helicopter baiting in the last two times has been 98 to 99 per cent, which has been very successful. We are now in the planning phase for a third helicopter baiting this current calendar year to tackle another area of the park that we have not been able to get to. Part of the funding also allows us to support some significant research projects into alternative baits. We really do not want to be in a position of continuing to put out baits with ant poison in them. So there is some promising work going on looking at biocontrols. We are looking at some work with the insect growth regulator which will disrupt their reproductive cycle. There is a lot of work going on in understanding quite why all of a sudden 10 or 12 years ago the ants exploded as a problem when they had been on the island for about 70 years with relatively minimal impact, we think. So that work is continuing. There may well be some clues in that. There are some complex relationships between the ants and host species. They live on scale insects in part that live on the rainforest trees. So it is thought that there was an outbreak of that scale some 10 or 12 years ago and that provided the impetus for the ants populations to explode and then to switch from their normal mode, which is just like normal ants, into ones forming super colonies, which is where the insidious effect is. If we can understand what triggered that, we are hopeful we may be able to work backwards from that to see if we can decouple or control the scale insects. That may well bring the ants back to a manageable proposition.

Senator BIRMINGHAM: It is quite likely by the time that research concludes it will point to some options for the future. In a couple of years, we will be looking for a further continuation of the program to allow, hopefully, those new technologies or options to be continued or undertaken.

Mr Cochrane: I think that is correct. The steering committee, which is of Australia’s leading ant scientists, has worked with us to develop a 10-year strategy. We are at year six in that. So at the moment we have funding to year 8.

Senator BIRMINGHAM: Thanks, Mr Cochrane.

CHAIR: Mr Cochrane, I want to take you to the Parks Australia Climate Change Strategic Overview 2009-2014. Is that the latest document that you have in terms of an overview? Is it still current? You have not done anything since then?

Mr Cochrane: No. It set the framework. If you have it in front of you, you will see that it is dated 2009 to 2014, so it is designed to set a five-year framework for us.

CHAIR: In the opening of this overview it states that climate change is one of the great challenges ever to have faced the conservation of biodiversity and ecosystems. Do you agree with that?

Mr Cochrane: I do. I signed off on this.

CHAIR: That is good. How many scientists do you have working for you?
Mr Cochrane: I can only give you round numbers. In terms of scientists that we employ as scientists for us—most of our scientists are actually employed to manage our natural resource management programs—I would say perhaps six to eight, but most of our science work is done collaboratively with outside agencies and institutions, say, universities.

CHAIR: The CSIRO?

Mr Cochrane: Absolutely.

CHAIR: BOM?

Mr Cochrane: BOM not so much, but we do a lot of collaborative work with the CSIRO and the universities in the Northern Territory—Charles Darwin, Monash, La Trobe and some overseas universities as well.

CHAIR: Given that the document states that there are a number of implications, would you agree with the proposition that animals would not notice a doubling of CO2 and obviously plants would love it?

Mr Cochrane: I am not sure I would want to comment on the impact on animals, because that is a very broad category. There are certainly some organisms that respond directly to CO2 in a positive or negative way. You would only have to look at a coral reef and the impact of CO2, the increase in carbonic acid in the oceans and the impact on corals to know that. In terms of plants, some plants certainly respond more positively to increased CO2, but in drawing in more CO2 they use more water as well. So, for increased growth rate of plants from elevated CO2; it does have an impact on the hydrological cycle as well.

CHAIR: As to the argument that animals would not notice a doubling of CO2, we have had evidence this week that koalas are already experiencing stress because of increased CO2 due to the chemical make-up of the eucalypt leaves. Are you aware of that?

Mr Cochrane: I have read media reports on that. I have not read the scientific articles on which that would be based.

CHAIR: So, are the koalas in your parks not an issue for you?

Mr Cochrane: I would have to say that we do not have any koalas in any of the parks that we manage.

CHAIR: No koalas?

Mr Cochrane: No.

CHAIR: What other animals do you have that could be affected by CO2?

Mr Cochrane: We certainly have a number of browsers of vegetation, including eucalypt vegetation, such as wallabies, kangaroos and gliders that would eat sap from eucalypts and other species. As you point out, increased CO2 and increased growth rate can change the chemical composition of leaves and sap. I am not aware of any studies that are directly undertaken in our parks that address that particular question, but that is an interesting one. If I could take it on notice and I will ask the question.

CHAIR: We have had evidence about the effects on koalas, so I assume that other animals who rely on these eucalypt leaves may have the same problem. I could not say that for sure. So, given that they are in your parks and you have some responsibility, we would appreciate it, especially on the view that these animals would not notice a doubling of the CO2, if
anyone has any views on that. Given the other argument that plants would love it, obviously people understand that CO2 can have an effect on plants in terms of growth. What are the negative aspects for the parks that you look after for, say, a doubling of CO2?

Mr Cochrane: One that I just mentioned would be the changes to the water use and whether that had an impact on water tables. Probably the most significant one that we worry about is increased growth rates of plants, woody species in particular, which increases fuel loads, and therefore it changes fire risk for us. Fire risk and fire is a very big component of most of the plant ecosystems that we work in. That would certainly have an impact on animals, if fire frequency increased or more particularly fire intensity increased. That can have very profound impacts on plant communities. Perhaps not necessarily in a one-off event, but if that was reflected in a long-term change in fire frequency and fire intensity that can have—

CHAIR: Just explain how that works. So, doubling the CO2 increases the risk of fire intensity?

Mr Cochrane: Plant biomass.

CHAIR: So, the biomass is bigger?

Mr Cochrane: Yes, and therefore your fuel loads are higher.

CHAIR: So more dropped leaves?

Mr Cochrane: More dropped leaves and more standing wood, quite likely. Most of the biomass in systems is actually above ground rather than on the soil surface. Greater fuel loads. The other element of changing climate is the forecast increase in temperatures. In at least some of our parks in southeast Australia you would be looking at a drier climate, which also increases fire risk.

CHAIR: For the proposition that animals would not notice a doubling of the CO2, you will come back to me on that?

Mr Cochrane: I will, but there are two issues there. One is the direct impact, which I think is what you are saying, but there are indirect impacts that would be very difficult to tease apart. I do know there has been work done on that.

CHAIR: That is good. I would be interested in that. The plants would love it. You are not arguing that plants may not love it, but there are severe side effects or consequences of the plants loving the CO2 increase, is there not?

Mr Cochrane: Let me be a little bit cautious with the phrase the ‘plants would love it’. You are talking about potential changes in growth rate. That may affect flowering. There are already a number of reports around the world of changed growth patterns in plants and changed behaviour of their pollinators. In some cases those are now out of synchrony. Where plants had evolved with pollinators turning up at a certain time or certain growth cycles being in synchrony, some of those relationships have been disrupted over the last, say, 10 or 15 years. Those ecosystem impacts can be very complex to understand, and usually one element of it is studied in time or over a time period. Working out what those consequences are right through an ecosystem is incredibly complicated.
CHAIR: One of the implications you have indicated is increased park closures in response to increases in temperature, fire risk and extreme events. Obviously you accept the scientific evidence that is out there about higher temperatures?

Mr Cochrane: I do. Those are forecasts that have been provided by the CSIRO with, as I understand it, an increasing degree of confidence. They are the best estimates of the sort of future that we are facing in a climate sense.

CHAIR: So, an increased fire risk obviously means increased animal deaths in fires?

Mr Cochrane: Possibly. It depends how we manage. We are big users of fire. We do not wait for fires to come to us. We have active burning programs in all our parks where fire is important.

CHAIR: Yes, but that is a controlled burn, is it not?

Mr Cochrane: Yes, but that reduces fire risk.

CHAIR: It reduces fire risk, but this is a debate that has gone on as long as I can remember about how much burning off is required and when the burning off becomes bigger than the risk. So, that is really a science in itself, is it not?

Mr Cochrane: Absolutely.

CHAIR: If there are uncontrolled fire risks, that you have no control over, obviously that means animals are at risk?

Mr Cochrane: Animals are at risk and plants are at risk. The whole system is at risk with changed fire regimes, if they are significantly changed.

CHAIR: That would mean an increased expenditure on maintenance of infrastructure if you lose infrastructure as a result?

Mr Cochrane: There are two core components of how we manage fire, one of which is asset protection. Clearly with buildings and people in parks, that is a priority for us. The other key aspect, as we have just been talking about, is the ecological objectives and consequences of fire as well. We have to juggle both of those.

CHAIR: You have five objectives, which I will just run through quickly. They are to understand the implications of climate change, to implement adaptation measures to maximise the resilience of the reserves, to reduce the carbon footprint of the reserves, to work with communities, industries and stakeholders to mitigate and adapt to climate change, and to communicate the implications and/or management response to climate change. Obviously these objectives were determined back in 2009. Is it possible for you to take on notice how you are moving to meet those objectives? Is that possible?

Mr Cochrane: Absolutely. We have used that overview and those five objectives to prepare climate change strategies for each of our parks now, and turned those general approaches into more specific approaches in each park.

CHAIR: We get buried with paperwork at estimates. Is it possible for you to provide us with that in as concise a manner as possible?

Mr Cochrane: We will do our best to give you a concise answer.

CHAIR: I understand that some things cannot be simplified, but I appreciate that. Senator Siewert.
Senator SIEWERT: I would like to go back to Christmas Island. You were talking about the crazy ants. What is the probability of eradication?

Mr Cochrane: Very low.

Senator SIEWERT: So, in other words, we are in an ongoing management—

Mr Cochrane: Control, yes.

Senator SIEWERT: So, you have the 10-year process, but after that it is likely that we are going to have to commit.

Mr Cochrane: As I said, what we are ultimately working towards is a system where it is back in some sort of balance. As you would be aware, for probably 50 years or so ants have been on the island and not of concern. Something happened in the late 1990s that flipped the system. If we can understand what did that, we would be hopeful that we could reset that again.

Senator SIEWERT: The problem with that, though, is if it is associated with the series of extensions that has occurred on the island.

Mr Cochrane: Along the way, absolutely, yes.

Senator SIEWERT: There is a series of questions that I would like to ask. I have limited time, so I will put some on notice. In terms of the bulk of your funding, with the Expert Working Group there was a series of recommendations. You have the funding for the crazy ants, and a whole lot of other work that the Expert Working Group wanted done. How much of that are you currently funded to do and what are your priorities other than the crazy ants?

Mr Cochrane: Cats and rats are a big priority for us. It is not just our own funding, but we have been quite successful in working with others. The Department of Regional Australia has helped fund a sizeable cat desexing and eradication program with us. They put nearly half a million dollars into 2011-12 for cat control on the island.

Senator SIEWERT: Is that in the forward estimates?

Mr Cochrane: I am not quite sure where precisely out of the department it came from, but we have a jointly funded cat and rat management program over the last year and a bit. That has been funded from our internal funds and I think we probably got some Caring for Country money. The department put some money into that, and also the Department of Regional Australia put in $449,000. We have been both trapping and removing cats and in the settlement area pet cats have been desexed. So, it is a question of bringing a vet up on a regular basis to desex cats.

Senator SIEWERT: Is it likely that the funding will be rolled over in the new financial year?

Mr Cochrane: I have a little bit more information. In May-June this year we will be doing a repeat of that trapping and we will also be doing cat baiting. Now that we have desexed the existing cats, we are looking at removing them progressively from the areas where we are most concerned about cats, and that is certainly where the red tropic birds are nesting above the settlement. Cats are a big concern up there. We have successfully tried some rat baiting on the island, particularly around the settlement and the industrial areas. We will be looking to continue that as well.
Senator SIEWERT: Could you perhaps take on notice what your current programs are and the level of funding?

Mr Cochrane: For things like cat eradication?

Senator SIEWERT: Yes.

Mr Cochrane: Yes.

Senator SIEWERT: Can I go to the issue of phosphates. I know we have had a discussion about this before. Have you had any ongoing involvement in the cleanup following the wreck? I have had reports about bags of phosphate. I have been told previously that it has not been a problem for the marine environment, but I have photos of bags in the marine environment on the reef. What ongoing level of involvement have you had and has there been any clean-up that you are aware of?

Mr Cochrane: There has certainly been some cleanup on the beach. Cleanup crews have removed 51 bulk bags of oiled sand and other waste material from nearby beaches, but that was in the days immediately after the incident. As I answered before, I think our staff were volunteers in assisting with those sorts of efforts. Thereafter the actual management of the wreck and the cleanup is actually the responsibility of Regional Australia and the Marine Safety Authority.

Senator SIEWERT: So, you have not had any ongoing involvement in that process?

Mr Cochrane: No. You asked me last time about the monitoring of sites. I am told that the WA Department of Fisheries, which does regular monitoring in Flying Fish Cove and around the island, is actually on island this week resurveying sites.

Senator SIEWERT: I will get some of my Western Australians colleagues to ask them some questions. I know we have had a discussion about this before. Have you had any ongoing involvement in the cleanup following the wreck? I have had reports about bags of phosphate. I have been told previously that it has not been a problem for the marine environment, but I have photos of bags in the marine environment on the reef. What ongoing level of involvement have you had and has there been any clean-up that you are aware of?

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our targets and what was told next door to us in here about NRS funding from the next round of Caring for our Country. Firstly, can we go to where we are in meeting our targets?

Mr Cochrane: As you would appreciate, there is a little bit of a time lag in collecting the data because a large amount comes from the states. About 106 million hectares are now in the conservation estate, which is 13.77 per cent of Australia. You will recall that it is not just a question of adding area to the conservation estate. We are working in areas that are not well represented in the conservation estate. I would have to take on notice how we are tracking on that, because I did not bring those figures with me, but the progressive inclusion of bioregions that have more than 10 per cent—

Senator SIEWERT: If you could take that on notice that would be good.

Mr Cochrane: Yes.

Senator SIEWERT: What about funding under Caring for our Country?

Mr Cochrane: The notional budget for the National Reserve System program this financial year is $32.8 million, if I recall.

Senator SIEWERT: So, $32.8 million?

Mr Cochrane: It is $32.8 million. That is acquisitions for this financial year.

Senator SIEWERT: So, that is 2011-12?

Mr Cochrane: Yes, that is 2011-12.

Senator SIEWERT: Has there been a decision made against the Caring for our Country ongoing budget that has just been announced?

Mr Cochrane: No.

Senator SIEWERT: What is the process for deciding that?

Mr Cochrane: You will have to ask my colleagues in the Land and Coast Division, who manage the program as a whole.

Senator SIEWERT: Under Caring for our Country?

Mr Cochrane: Under Caring for our Country, yes.

Senator SIEWERT: I will ask them this afternoon. Thank you.

CHAIR: Senator Rhiannon.

Senator RHIANNON: What work do you undertake to ensure that national parks that gain World Heritage listing retain that listing?

Mr Cochrane: I am directly responsible for two national parks that have World Heritage listing, Kakadu and Uluru-Kata Tjuta. The broader question of other World Heritage properties is one for the broader portfolio and also the managers of those properties, which in most cases, if they are national parks, are actually the states.

Senator RHIANNON: Does that mean the Greater Blue Mountains National Park, which has World Heritage listing, does not come under your responsibility?

Mr Cochrane: No.

Senator RHIANNON: How disappointing. I was hoping we could pick that up. I am learning things. I want to move on to some issues that you spoke about earlier with regard to feral animals. You made the comment that your officers are registered to use firearms. You
may be aware of the work of Sharp & Saunders. They have put out the numerous government standard operating procedures for feral animal control. They state that there are three essential requirements for pest control techniques—necessity, effectiveness and humaneness. They also recommend in general that ground shooting should be used only in a strategic manner as part of a coordinated program. I was interested in whether these procedures or something similar are followed by your officers.

**Mr Cochrane:** I would say, yes. We absolutely only control feral animals out of necessity. As I indicated before, we monitor populations of the ferals that we are most concerned about, such as pigs in Kakadu. Where their numbers get to a point where their impact is largely ecological but potentially in some cases like buffalo, if they potentially pose a threat to visitors or residents, we will act to remove them.

In terms of effectiveness, I understand I have some excellent officers in terms of firearms/shooting. Most of the officers who undertake this work have been in our park for a long time and they also work very closely with our neighbours and the other agencies, particularly in the Territory, that undertake this work as well. Often we will do collaborative work with them. Quite a few of our animals come from outside the park and, therefore, control measures outside the park are probably just as important to us as inside the park.

**Senator RHIANNON:** I was interested in exploring that as well. There have been reports—I have only seen these for New South Wales and Victoria—that sometimes feral animals have been released in areas so hunters can hunt those animals. I have read reports about pigs being released and also sometimes wild dogs being abandoned. There was a report of a deliberate release of piglets and juveniles by unscrupulous hunters in New South Wales recently. Is this something that you have made an assessment of? It is particularly relevant to the comments that you have made about the need to be controlling feral animals outside the parks as well, as clearly that could lead to an impact inside the parks.

**Mr Cochrane:** Most of the examples you provide out of New South Wales are not in our parks. We have no parks technically in New South Wales. We have one park in Jervis Bay territory, which abuts some of Jervis Bay National Park, and so we work very closely with the New South Wales Parks Service and the rangers down there collaborating on fox control, which is actually our biggest issue there. Foxes are baited rather than shot. In New South Wales we do not do any work ourselves of that nature. I am certainly aware of media reports and neighbours for a property that I own who talk about deer being released for hunting purposes.

**Senator RHIANNON:** But it has not come in the context of the work for your parks?

**Mr Cochrane:** No. However, I would have to say that in Kakadu a number of traditional owners on outstations maintain small populations of pigs for their own personal use, and there is always a risk that some of those escape into the surrounding park.

**Senator RHIANNON:** There have been some reports about proposals to use recreational hunters to kill feral animals. Is there a role for recreational hunters undertaking this work?

**Mr Cochrane:** I believe there would be a role if it was carefully managed. We do not use any recreational hunters in any of our parks. I am aware that in particular that is the case in Victoria. Parks Victoria has an arrangement with what I believe are called the Sharp Shooters. If those arrangements are well managed and they are undertaken in very close consultation
with park staff, I believe they do have a place, but that would depend on the circumstances. I would have thought that that was probably not an option in parks that had heavy visitation, for example.

Senator RHIANNON: When you say that arrangements would need to be in place if such recreational shooters were to be used, what would you see that that would have to cover?

Mr Cochrane: It would have to cover how they went about what they were doing. I think the three criteria that you raised before of necessity, effectiveness and humaneness would be fundamental. There would have to be clear understanding of when and where the operation would take place. You would want to ensure the safety of people. You would also want to ensure that the impacts of people who were not park staff undertaking operations like that were managed carefully to minimise any impact on weeds or non-target animals, for example. I would imagine that something like that would be subject to either some memorandum of understanding or it may even be contractual.

CHAIR: Senator Rhiannon, are you finished?

Senator RHIANNON: Yes.

CHAIR: Senator McKenzie has one question.

Senator RHIANNON: I am finished.

CHAIR: Senator McKenzie.

Senator McKENZIE: Are you able—in one sentence or less—to summarise the environmental damage that feral animals can do to natural ecosystems?

Mr Cochrane: It is a bit like mission impossible. I am sorry to say this, but it does depend. It depends on the animal and the system they are in. For us it ranges from yellow crazy ants, a tiny animal which has a devastating effect on wildlife, all the way up to buffalos and pigs, which actually seriously modify the habitats of other animals. They can have very large-scale impacts all the way down to relatively small, where it is almost animal on animal-type impacts. It depends on the animal, it depends on the circumstance and sometimes it depends on the time of year. Those impacts can be more devastating at different times of the year.

Senator McKENZIE: As a Victorian and just listening to your comments to some of Senator Rhiannon’s questions, do you have any broad comments to make about the Sharp Shooter program within Victoria and its role in addressing some of those concerns around feral animals’ impact?

Mr Cochrane: I only have a broad awareness of the program in Victoria, but from what I have heard it sounds like a sensible arrangement where some people—as long as the arrangements are carefully managed, and everything I have heard so far suggests that—can have a valuable role to play.

CHAIR: Thank you. It is now an appropriate time to adjourn for lunch. We will reconvene at 2 pm.

Mr Cochrane: Do you want me back?

CHAIR: No.

Proceedings suspended from 12:59 to 14:01
CHAIR: I now call officers from the department in relation to Program 1.1, Sustainable Management of Natural Resources and the Environment. I have a couple of questions on this before I go to you, Senator Fisher. Who looks after corporate services?

Dr Grimes: The corporate services of the department are primarily the responsibility of our Chief Operating Officer, who appeared this morning under general questions. She is here with us right at the moment, Ms Dianne Carlos.

CHAIR: I am interested in the department’s use of video conferencing. Can you tell me the savings you have achieved from video conferencing between areas of the department and with the minister in his office. I would like information on flight and travel costs saved and time savings from avoided travel.

Ms Carlos: I will have to take the detail of that question on notice and come back to you, but we do broadly use a fair amount of video conferencing. We have connections through to AAD in Tasmania, the Great Barrier Reef Marine Park Authority in Townsville and our supervising scientist in Darwin. We use these facilities on a weekly basis in terms of running our management meetings. We also use them when we have larger conferences. There is quite a broad use of video conferencing. We also video conference with the minister when he is in Sydney and various other places, but the detail of savings and the like I can come back to you with on notice.

CHAIR: When you implemented this process did you use it as a savings measure?

Ms Carlos: No. I was not with the department when they implemented it, but we can certainly do some estimates of what travel has been avoided by the various line areas.

CHAIR: Thank you. I do not know who deals with this, but why are we progressing a corridors approach to conservation and what will it mean to communities? Who is handling that?

Dr Grimes: I might hand over to the relevant officers. Mr Thompson and Mr Sullivan will be able to assist you with that issue.

Mr Sullivan: I was trying to listen to your question carefully. I think you asked about the corridors.

CHAIR: The corridors approach to conservation and what it will mean for communities.

Mr Sullivan: Corridors is subject to a current process of government, as you would know. We are in the process of finalising a corridors plan and it is, as I said, at its final stages, but I think your question related more to why do we take a corridors approach and what are some of the objectives and principles that we are trying to achieve. The major objective of a corridors approach is to have a more diverse, connected and healthy landscape. These can better support and sustain both communities that rely on biodiversity but also underlying wellbeing as well as biodiversity conservation. Adaptation will be a major driver for why we are looking at corridors, in terms of extra pressure coming from a changing climate, and in this context we are looking to increase resilience through increased diversity of the landscape as well as increased flexibility in the landscape systems that underpin the Australian landscape.

There is a number of different types of connectivity—what we are talking about with corridors. We are not talking just about large corridors that traverse Australia, but they are
part of it. We are talking about landscape connectivity and that could be, as I said, the large landscape connectivity that runs north-south of Australia all the way through to linear strips of roadside vegetation. We are talking about habitat connectivity and as an example of that we are talking about where birds can have stepping stones as they move through the landscape. We are also talking about ecological connectivity. An example would be the interaction between fruiting trees and birds that disperse the seeds of the fruit that they eat, all the way through to evolutionary connectivity where we are talking about gene pools of animals. All four of those together gives an overall picture of conservation connectivity.

As another example, recent research was released I think last week out of researchers Dr Bill Ellis and his colleagues at the University of Queensland looking at koalas. They have a longstanding research program with respect to koalas. They released a scientific paper last week which said that 50 per cent of koala pregnancies come from travelling males. That is completely different from where we thought that was in terms of that percentage in years gone by where we were focusing on habitat connectivity for resident groups of koalas. This shows the importance of having connectivity for the koalas that can roam the landscape. So, that comes down to that evolutionary connectivity, where we are adding new genes to the gene pool, all the way through to the corridors that the koalas need to move between habitat zones.

So, in terms of the objectives of corridors, it is really about protecting, maintaining and restoring those habitats I just talked about, protecting and enhancing resilience and at the same time supporting both local, regional and in some cases international movement of species. We have migratory species that do go across hemispheres in Australia. We are also talking about supporting the linkages between natural and Indigenous cultural heritage in terms of corridors, because there are strong links between storylines of Indigenous culture and natural corridors, and those are not as well understood but becoming more understood. The objectives are also about community participation through corridors. This is really about getting communities involved in owning this idea of connectivity.

In terms of the principles, as I said, it underpins that cooperative based approach. This is not a government enforcing an issue, this is about working with communities, designing corridors that not only benefit local communities but also benefit the variety of species we are looking at, but also talking about connectivity, as I said, at those different scales. It can be connectivity in a local area as well as it can be broad connectivity across the landscape.

It is not a new idea. Corridors have been part of the policy landscape both in Australia and overseas for some time. However, the current process, which as I said is drawing to a close, is putting a framework and a set of policy parameters around what do we mean by corridors—and I have just outlined some of the principles—as well as then what do we do about that. In part, that then picks up the foundation stones that we already have with respect to our conservation investment portfolio, and that includes Ramsar, National Reserve System, Indigenous Protected Areas and World Heritage areas, but importantly it also picks up private land conservation. There is an increasing component of private land conservation in Australia. That is not only through the philanthropic sector but also through investments such that comes through programs like the Environmental Stewardship Program. I think part of this as well as in terms of one of those foundation stones is about community development and getting that
support and understanding of corridors; that this is not something that is being imposed, this is part of a fundamental component of how our natural system operates.

CHAIR: Where did the corridor theories come from and how long has it been going?

Mr Sullivan: Corridor connectivity has been part of our nomenclature in conservation for some period. As I said, it is not new. From memory—and I will correct the record if I am wrong here—it came out of the fifties and sixties in terms of its initial thinking. In terms of where it has been applied in both a resource allocation and a policy framework, connectivity was one of the drivers behind regional forest agreement decisions, for example, where reserve systems were designed. For example, in Tasmania during the regional forest agreement process we were not just looking at the size of reserves that were required to meet the conservation targets. It was also about the connectivity and how that would promote resilience. So, this is again not a new term, but it is actually starting to draw the threads together that say how do we actually better recognise those foundation stones that I talked about in a corridors context.

CHAIR: What I would propose doing is going to Senator Edwards, who has one quick question, I think, then Senator Fisher and then Senator Siewert.

Senator EDWARDS: At February estimates Senator Boswell asked your department whether the government had any preliminary discussions with any state government regarding the management of marine parks. He was told that there were some discussions but nothing specific. Has your department had any discussions with any of the states, particularly with regard to South Australia, specifically regarding funding or management of Commonwealth or state based marine parks?

CHAIR: Senator Boswell had a question about South Australia. This is a precedent, I must say.

Mr Oxley: Perhaps if I can start by just giving you a broad outline of the general approach taken by the department to the management of the existing network of marine reserves, because that provides context for where I would suggest we will land in the future with an expanded network of marine reserves, post the marine bioregional planning program. At the moment we have a network of around 25 Commonwealth marine reserves, which are managed by the department under delegation from the Director of National Parks. In a number of cases, such as the cod grounds in the Solitary Islands off the New South Wales coast, and the Great Australian Bight Marine Park in South Australia, we have business agreements in place with state management agencies that provide a range of marine park management services for the department. We tend to use those arrangements for the Commonwealth reserves that are in nearer shore areas. We have arrangements with Western Australia around the management of the Ningaloo Marine Park Commonwealth waters component and we use Tasmanian police to do surveillance for us in the south-east marine reserves network.

Over time we will engage with the various jurisdictions, their existing marine park management agencies, and talk to them about their capacity to provide future marine reserve management services for us under business agreements, which is the current model that we use. We have not had any substantive discussions with any of the state agencies, to my knowledge, about their capacity to take on an additional management responsibility for us,
but quite obviously if we were asking them to be a service provider for us we would remunerate them appropriately for doing so.

Senator EDWARDS: Are you paying them now?

Mr Oxley: Yes.

Senator EDWARDS: How has that come about? Do you tender that?

Mr Oxley: It is not something that we go to tender on. We go to them, because they are the agencies that have the in situ expertise around the management of marine reserves. We go through a negotiation with them about the nature of the services that we are looking for. They will be generally focused around compliance and enforcement activity and public awareness and education. We then agree a price for the nature of the service and then we enter into a business agreement with them for the delivery of those services over the course of a 12-month period. Over the past 12 months we have been going through a dialogue with them where, rather than renegotiating in detail the business agreements on an annual basis, we are trying to move to a three-year cycle with an annual review at the end of that cycle.

Senator EDWARDS: Is it done on a cost recovery basis or are they looking to profit?

Mr Oxley: I would have to come back to you with some clarification on that. We would generally be looking for value for money in terms of the service that we receive from the state, and we find a price that seems a reasonable price from a Commonwealth perspective.

Senator EDWARDS: So, based on your own experience?

Mr Oxley: Based on our own experience over a long period in obtaining those services from them.

Senator EDWARDS: I will move along, because I did say ‘quickly’. This is the last point. Are any of those discussions around, including the management—

CHAIR: That is one question and 10 points.

Senator EDWARDS: Sorry, one topic.

CHAIR: We have plenty of time, Senator Edwards.

Senator EDWARDS: I am sure I have your interest.

CHAIR: We have plenty of time.

Senator EDWARDS: Thank you. Are there any discussions on including the management of funding of marine parks under the natural resource management umbrella and really referring to you funding the NRM boards or through Caring for Country?

Mr Oxley: In relation to marine parks?

Senator EDWARDS: To marine parks.

Mr Oxley: Discussions going on with the states about it?

Senator EDWARDS: Yes. Are you talking to DAFF about perhaps their picking up the control of this through NRM boards and funding them through there?

Mr Oxley: We are a long way from having any substantive discussions about the future management arrangements for a network of marine reserves that is yet to be established. At the moment we have a departmental appropriation, which we apply a proportion of annually to the management of our marine reserves.
Senator EDWARDS: So, what is your interaction with DAFF in relation to marine parks?

Mr Oxley: The interaction with DAFF in relation to marine parks is that DAFF, among a large number of departments around the Commonwealth, has a direct interest in the Marine Bioregional Planning Program, and the creation of marine reserves, because they have responsibilities for industries that are at some level affected or potentially affected by the Marine Bioregional Planning Program. So, they participate as a policy department in the development of advice to the government.

Senator EDWARDS: Are you looking to fund any of the administration of these Commonwealth marine parks out of Caring for Country?

Mr Oxley: You are now asking questions about matters that are still subject to deliberation by government and I am not in a position to answer that. You are asking for advice about the policy that we are providing to the government.

Senator EDWARDS: I do not know where you are at with the policy yet, so that is why I am asking. Thank you very much, Chair.

CHAIR: Senator Macdonald.

Senator IAN MACDONALD: I flagged with GBRMPA this morning some questions about dugong. I assume the right people are here to tell me about dugong and traditional hunting.

Mr Sullivan: That depends.

Senator IAN MACDONALD: Let me ask the question. In September, as I recall, $5 million was allocated by the federal government to facilitate engagement with traditional owners regarding monitoring and management of dugong populations. Can you give me some details of how that $5 million has been used, to whom it has been distributed and where those groups are based?

Mr Sullivan: Certainly. You do have the right area with respect to that package in supporting dugong and marine turtle and sea country management by Indigenous communities in Queensland. You are correct that that was announced in September of last year. Following that announcement, traditional owner forums were conducted in October and November 2011, out of which a whole series of program delivery arrangements based on those consultations with traditional owners were then made by Minister Burke.

Funding is being made available under five streams of work, and I will call on Mr Edwards in a second to give a little bit more detail with respect to these streams. One of the streams is direct grants to traditional owner groups and organisations to undertake sea country activities. There is a stream of funding for the implementation of the Cape York Sea Country Strategy. Funding is being provided for compliance training and data collection and monitoring Queensland, on-ground support for rangers that will be delivered through the Queensland government, and also establishment of a sea country leadership network for Indigenous land and sea managers.

Those decisions by Minister Burke were in preliminary negotiations with Queensland officials. Those went into abeyance during the caretaker period for Queensland. Following the significant machinery of government changes that followed the Queensland election with the new government, I think clarity has now been established as to where that will reside in that
machinery of government change. I had initial discussions with the area that will be overseeing those projects from the Queensland side on Friday of last week.

**Senator IAN MACDONALD:** What area is that?

**Mr Sullivan:** It is inside the Department of Environment and Heritage Protection. Obviously they will be liaising with the Queensland parks service, which I think is in another department—the Department of National Parks, Recreation, Sport and Racing. So, there has been that delay, one that has been felt by Indigenous communities. But that delay has not been in our hands. That delay has been unavoidable to some extent through the Queensland caretaker period and then getting some sense of certainty as to where that fits in the new Queensland government structure.

That being said, officials continue to work through a range of issues and so we are not starting from ground zero. In fact, there has been significant work across a number of those streams, if not all of them. So, in terms of the sea country leadership network, a contract for delivery of that is in the final stages of being signed off through the joint management committee with Queensland.

In terms of the implementation of the Cape York sea country strategy, that is going to be delivered in two phases. The first phase has been agreed and the first payment has been made. The initial contract for that is $400,000. In terms of the compliance training, data collection and monitoring, there has been considerable discussion held between Queensland officials and their GBRMPA counterparts on how that will be best rolled out, and that is coming to a stage of completion of those contractual arrangements. Queensland is in the process of finalising its advice to us on its ranger component that is part of this program. We expect to see that in detail towards the end of this week once those formal handover arrangements have been made between the area that previously had primary responsibility for this area and the new officials in Queensland. With respect to the grants to traditional owner groups, again, we have had initial discussions on how that would be best rolled out with an eye to doing that through a two-stage process of calling for expressions of interest and following that up with a grants process over the coming months. Mr Edwards may want to add some detail to some of those funding streams.

**Mr Edwards:** I am happy to provide a little more information around some of those streams that have been approved. Mr Sullivan mentioned that the starting point obviously was a pretty extensive traditional owner consultation process, and what we did was first take some key messages away from those forums. One was a recognition that there is a lot of work underway already among traditional owners across the country, but particularly in North Queensland, to manage marine resources and people were really after, I suppose, help and assistance, extra skills and access to people who have the expertise to manage those marine resources. That was a clear message.

**Senator IAN MACDONALD:** Mr Edwards, can I stop you and thank you and Mr Sullivan, but you are again talking in language that really does not tell me anything. I am sorry. Tell me, has the $5 million that was allocated in September been spent and, if so, in what way and to whom has it been directed?

**Mr Sullivan:** Again, this comes back to the delays I referred to through the change in government.
Senator IAN MACDONALD: Has it been spent? Yes or no? Some of it?
Mr Sullivan: Some of it has been spent.
Senator IAN MACDONALD: How much?
Mr Sullivan: I think $400,000 has been spent to date with proposals in finalisation for a majority of the rest of the funding.
Senator IAN MACDONALD: So, $400,000 has been spent. Who spent it? What did they spend it on?
Mr Sullivan: Some $200,000 was spent on conducting the traditional owner forums.
Senator IAN MACDONALD: So, in conducting forums?
Mr Sullivan: Yes.
Senator IAN MACDONALD: Who conducted those forums?
Mr Edwards: Those forums were managed by two different groups—the Girrigan Aboriginal Corporation.
Senator IAN MACDONALD: Girrigan from Mission Beach?
Mr Edwards: From Cardwell.
Senator IAN MACDONALD: Yes.
Mr Edwards: They hosted a forum in Cairns that drew in traditional owners from across North Queensland and further down.
Senator IAN MACDONALD: They did that in Cairns?
Mr Edwards: In Cairns, yes. The second forum was also hosted in Cairns. That was hosted by the Balkanu Cape York Development Corporation. That had a more defined focus on Cape York traditional owners, people from further up the coast. As Mr Sullivan mentioned, both of those were held in October-November last year.
Senator IAN MACDONALD: Is that all that has been spent of the $5 million?
Mr Edwards: There is a $200,000 amount; Mr Sullivan mentioned $400,000. The other $200,000 is the first payment associated with the Cape York turtle and dugong strategy, which is a body of work that Queensland has contracted the Balkanu Cape York Development Corporation to undertake. As Mr Sullivan mentioned, that is being conducted in two stages.
Senator IAN MACDONALD: That is Balkanu?
Mr Edwards: Yes, Balkanu Cape York Development Corporation. That is the first payment of the first stage of their project, which is—
Senator IAN MACDONALD: To develop a strategy on how to better manage Indigenous interaction with turtles and dugongs?
Mr Edwards: Yes. They have proposed a project in two stages. The first stage is to undertake some more intensive consultation with some of the communities that they work closely with. The view is to pull together a coordinated approach to community based planning for turtle and dugong management. It is also to put some immediate activities and actions into place to build people's capacity to undertake active sea country management.
Senator IAN MACDONALD: Can you say that again?
Mr Edwards: The second part of that is to put immediate measures in place to work with communities to identify sea country management activities that can get underway. It is about building their capacity—for example, access to training, awareness around monitoring and data collection and working with those communities to understand their aspirations in terms of managing sea country and how they can help convey those through the community. The first part of the Balkanu work is really about pulling together how the broader project will be implemented in the second stage—essentially, waiting for that first body of work to see the exact detail of what they are proposing to roll out.

Senator IAN MACDONALD: As I recall, traditional hunting is permitted under the Native Title Act. Is that correct?

Mr Edwards: That is correct.

Senator IAN MACDONALD: But it is illegal for meat from the dugong and turtle to be sold?

Mr Edwards: That is right.

Senator IAN MACDONALD: I have some newspaper reports that tourists snorkelling near Green Island off Cairns were disturbed to see native hunting being carried out with turtles being killed on the beach. I understand that there are many Indigenous groups who are aware of declining populations of dugongs and turtles and want to put measures in place to protect them for future generations, but I understand that other Indigenous groups say, ‘This is our right to kill these highly protected animals.’ Is this $5 million intended to try to get an approach that will be accepted by all to actually ensure that these very special animals are not slaughtered out of existence? Is that what it is all about?

Mr Edwards: You are quite right with some of those comments. By and large the commitment is there to support people who are already doing a lot to manage these species on the ground and have expressed a desire and an interest to do more in that space. It is a situation where traditional owners have established practices of how they, for example, hunt and manage those resources in the communities. A lot of the people we work with are actively managing that in the community and are seeking additional assistance to build the skills to monitor those resources and to make sure others in those communities understand what the processes and practices are that they have agreed to.

Mr Sullivan: As Mr Edwards said, this is about working with communities who have expressed a desire to do this, but also to impart that knowledge and build capacity within traditional owners to look at better management of turtles and dugongs. Some communities have taken unilateral decisions on full protection of turtles and dugongs, and that is held up as one example of how communities can manage turtles and dugongs. Through this funding and working with our Queensland partners on this, we are trying to basically get that message, those skills and the capacity for those discussions to be held at community level across North Queensland.

Senator IAN MACDONALD: I do not have the date of the paper, but there is a report that the Torres Strait Shire Council Mayor, Councillor Pedro Stephen, has said that the 7.30 Report claims showed footage of eskees bearing the seal of AQIS officers, alleging that they were part of an illegal meat trade coming from the Torres Strait down south. Were those claims investigated? Are you aware of that 7.30 Report?
Mr Sullivan: I am aware of the 7.30 Report and I am aware of some of the follow-up commentary that happened both from communities in North Queensland, including the TSRA, the Torres Strait Regional Authority, as well as others in North Queensland about the veracity of that report. I am not aware of allegations about an AQIS officer and the illegal trade. Perhaps Mr Edwards is aware of that. I am not aware that there is an allegation of a quarantine officer being involved in that. If there were an allegation with respect to a quarantine officer, that would be a matter for the department of agriculture to investigate.

Senator IAN MACDONALD: I am repeating a newspaper report that was reporting on a 7.30 Report which I did not see. The newspaper report suggested that the 7.30 Report showed that there were eskies with AQIS seals on them, suggesting that AQIS was condoning the sale and transfer of meat from turtles and dugongs. Whose responsibility is it to enforce the rules relating to the killing of these animals? Is that you?

Mr Sullivan: That is not me. That is where I was going to lead off and say that you had the program area right in terms of the $5 million investment. I understand you have talked to Great Barrier Reef Marine Park Authority officials already this morning with respect to dugong management. Elsewhere in the department, Mr Oxley’s division has national responsibility for dugong policy and sea-turtle-policy issues; compliance activities regarding the EPBC Act are covered within this portfolio, but in outcome 5.

The issue you raised, who has jurisdiction over dugongs in the Torres Strait, is a little bit more complicated. In the Torres Strait, as I understand it, dugongs are managed in part of the Torres Strait by AFMA as an Indigenous fishery. Mr Edwards may want to add to that.

Mr Edwards: That is correct.

Senator IAN MACDONALD: Dugongs are not fish, are they?

Mr Sullivan: No.

Senator IAN MACDONALD: Is your department in charge of dugong management plans? Do you oversee that?

Mr Edwards: I might try to clarify a few points. There are certainly local plans of management that groups have in place. The Great Barrier Reef Marine Park Authority works with people to put in place agreements for traditional use of marine resources.

Senator IAN MACDONALD: Plans for management were implemented in Badu, Boigu, Mabuiag, Moa and St Pauls islands in 2008, but do they have any sort of legal imprimatur through your department or anyone else that you are aware of?

Mr Edwards: I am not sure about the legal status of those agreements. The islands that you have described are in Torres Strait and those plans would have been put in place for the Torres Strait Regional Authority, who manage a fairly sizeable workforce managing that sea country through that region. They are certainly actively managing species across the islands.

Senator IAN MACDONALD: This report said that the head of the Torres Strait Regional Authority stated:

$17 million worth of funding from the Australian Government’s Caring for Our Country Working on Country initiative would ensure compliance with the management plans was closely monitored.

“Those funds will support the employment of up to 42 rangers across the 15 island communities … an initiative that will protect our environment and provide valuable training and employment opportunities.
Are you aware of any of that happening?

Mr Edwards: Yes. We fund those rangers. As I mentioned, part of their work on the ground is the active management of the sea country and terrestrial country through the Torres Strait. Those rangers, as you have mentioned, are supported through the Working on Country Indigenous ranger program and they are operated and, if you like, managed by the Torres Strait Regional Authority.

Senator IAN MACDONALD: Do you have figures on the sustainability of what is happening at the moment with the dugong and turtle in those waters?

Mr Sullivan: In part, the Great Barrier Reef authority undertakes extensive monitoring activities. The funding package, where we are working with Queensland and drawing on the knowledge of what GBRMPA is already doing, is part of the $700,000 that has been allocated to that as part of the $5 million package for improved compliance training, data collection and monitoring. While there has been significant investment over the last decade, and probably preceding that in dugong monitoring, this is increased funding to get better baseline figures.

CHAIR: I am sorry to interrupt you at this stage, but I have several senators seeking the call.

Senator IAN MACDONALD: I will finish. Do you do prosecutions in the wider community if there is illegal damage? If you hit a dugong with a propeller and the Wilderness Society are on the front page wanting everyone to be drawn and quartered; have there been any prosecutions? Do you do that?

Mr Sullivan: No.

Senator IAN MACDONALD: Who would do that?

Mr Sullivan: Compliance issues would come within the Great Barrier Reef Marine Park and looked at by it. Broader compliance issues, with respect to EPBC Act administration, are done by the environmental approvals area of our department, which is outcome 5.

Senator IAN MACDONALD: We might get some details of that later.

CHAIR: I think there is a fair bit of time. We are on 1.1 until 5.00 pm.

Senator SIEWERT: I will stay on marine. Earlier in the day I was talking to AFMA. They told me to come here to ask about figures on gillnetting. They said that you keep national data on deaths to Australian sea lions from, for example, gillnetting. Is that correct and, if it is, can I have it?

Mr Oxley: That would be broadly correct, but I do not have that at hand at the moment. Where we have sea lion interactions with Commonwealth fisheries there is a reporting requirement for those interactions, so we would have the data. I would just need to check whether we have the same arrangements in relation to state fisheries or not. I will come back to you with an answer, unless Mr Routh can add more at this time.

Mr Routh: We could certainly take that on notice and check what data we have been supplied from WA. We are in discussion with them on the fishery that you mentioned earlier.

Senator SIEWERT: I am interested in that fishery in Western Australia that I mentioned earlier, but I am actually interested in any other data from around Australia on the impact of gillnets. I am interested particularly in Australian sea lions but also in any data that you have
on dolphins, because I am aware that the South Australian fishery has issues around dolphins as well.

Mr Oxley: Generally there are reporting requirements in relation to interactions with threatened species or protected species under the Environment Protection and Biodiversity Conservation Act. I am not sure whether our information will go down to the nature of the actual fisheries that have interacted, but if that is available we will provide that.

Senator SIEWERT: I will now go on to the bioregional marine planning process. First off, is there, as yet, an expected date of announcements of finalisation of the plans?

Mr Oxley: The timing of all this is entirely in the hands of the minister and the government in terms of when it comes forward, noting its broad commitment is to have the whole process of establishing the marine reserves completed by the end of 2012.

Senator SIEWERT: I understand $50 million has been allocated in forward estimates for marine planning. Is that correct?

Mr Oxley: That is correct. Just over $58 million of ongoing funding has been allocated over the next six years. For many years, in fact since the beginning of the regional marine planning program way back in the late 1990s or early 2000s, whenever it was, the department has been in the situation where the funding for the marine planning program and the establishment of marine reserves has been on a drip feed, with different rates of drip between annual funding and four-year funding and in between. The decisions that were taken by the government in the budget process this year have made the underlying funding for the marine planning program an ongoing funding stream; it is in the order of $9.7 million per year. The next 12 months to two years will take us from planning through to implementation, so we will start the process of implementing the marine bioregional plans, which are being finalised at the moment, but it will also form the base of funding for the management of the marine reserves that will be established as a result of this process.

Senator SIEWERT: On what basis was the decision made for the allocated level of funding—the $58 million over six years? Did you put forward estimates of how much you would need for implementation and management?

Mr Oxley: The basis for the funding was essentially a continuation of the existing resources that had been applied to this function and which were included in the provisional forward estimates. The broader question of the cost of managing the marine reserves is something that is the subject of advice to the government and, indeed, really cannot be resolved until a final marine reserves network has been established and we have an understanding of the level of management that we need. That will be driven fundamentally by zoning and, in some respects, also the risk appetite in terms of compliance and so on.

Senator SIEWERT: Would it be fair to interpret from that answer that that does not necessarily cover the potential costs for management, that there may need to be extra funding for management?

Mr Oxley: We are in the realm of decisions of government not yet taken.

Senator SIEWERT: Presumably it does not include any amounts that may or may not be required for, as an example, fisheries adjustment?

Mr Oxley: That is a reasonable presumption.
Senator SIEWERT: Where are we up to with any decisions or planning that have been made for any potential adjustment processes, what processes are you undertaking at the moment and what figures are you using for that process?

Mr Oxley: Given that this will be of interest to a number of senators, perhaps I could just give a picture about where, broadly, we are in the process at the moment.

Senator SIEWERT: That would be excellent.

Mr Oxley: Then I will go from there. I was watching the DAFF estimates this morning and saw Senator Boswell and others asking a number of questions in relation to DAFF’s and AFMA’s engagement in the marine planning process. As you know, the department has run a public consultation process in relation to proposed bioregional plans and marine reserves networks for each of the regions. We finished the formal public consultation process on the last two of those regions—the Temperate East and the Coral Sea—at the end of February this year. Since that time, and before that time for other regions, the department has been going through the process of looking at all the submissions we received, all of the feedback we got during the public consultation process itself, through the range of meetings that we held through public open houses and through engagement with various sectoral interest groups in regional centres. We have gone through the process of assessing all of that input and forming the department’s picture of what possible changes to those marine reserves—zoning and so on—might look like.

We have then gone back to our key stakeholder groups. This has blown up in the media a few times over the course of the last few months and tested the department’s emerging thinking with those stakeholders to see whether our understanding of the interest and concerns that they have raised during the public consultation process has been an accurate one. We have then developed our advice to the minister and, as Senator Boswell mentioned in the DAFF estimates this morning, Minister Burke himself, at the beginning of May, spent a week on the road. We started in Darwin, then went to Perth, Adelaide, Sydney, Brisbane and Cairns and had meetings with representatives from a range of sectoral interests. We had 19 meetings in all. The minister talked to a range of stakeholders from the commercial fishing sector, the recreational fishing sector, the environment groups and the tourism industry, in particular, in Cairns about the department’s advice in relation to marine reserves off the back of the public consultation process. We are now in the process of dialogue with the minister about his perspective on those consultations.

In terms of the question of industry adjustment assistance, which is where you started, the government released its fishery adjustment policy in May of last year. That policy sets out in quite clear terms the rationale for the provision of financial assistance on a case-by-case basis to commercial fishers and fishing-dependent communities which are prospectively impacted by the creation of marine reserves. The policy itself requires that, in developing that package, impacted stakeholders will be consulted on and involved in the design and implementation of those adjustment measures.

We are not yet in a position to have started a substantive dialogue with the commercial fishing industry about the nature of an adjustment package. Nonetheless, we have had many representations, including by submissions before and during the public consultation process, from the commercial fishing industry about what it believes should be incorporated in an adjustment package. The obligation for us next is to start that dialogue formally. In fact, I
have a meeting early next week with the National Seafood Industry Alliance, of
Commonwealth and state fishery organisations, which I am sure will want to have a
preliminary discussion about those issues.

As to the question of when the more formal discussion will start, it is when the government
has announced its intentions around the final marine reserves networks. Until we actually
have decisions of government in relation to the final boundaries and the zoning, it is very
difficult for us to start a dialogue about the form and substance of an adjustment package.

Senator SIEWERT: Could you repeat that last bit again? As I understood it there is a
meeting next week in general with the various industry players. You said you cannot start the
negotiations until after an announcement has been made; did I interpret that correctly?

Mr Oxley: Yes.

Senator SIEWERT: But the last comment was: it is then hard to set—I think I must have
misunderstood.

Mr Oxley: What I am saying is that, until we actually have decisions of government that
give us a clear picture about where the reserves are—their boundaries and the zoning—we do
not have a final picture about what the socioeconomic implications of the reserves are. Until
such time as you have an understanding of the scale and the spread of impacts across a
number fisheries in regional centres, it is very hard to design a program and have the
engagement with the industry about how to deal with those.

Senator SIEWERT: You are going to be talking to the industry next week. On what basis
are you going to be doing value? Are you using GVP for the basis of any potential
negotiations of adjustment packages? If so, are you using multipliers and what multipliers are
you using?

Mr Oxley: We are not at the point of having resolved the detail of internal thinking about
what an adjustment package might look like. I know there is a degree of anxiety around about
the use of multipliers. The context in which there has been discussion about multipliers is
really looking back over past experience to understand the cost of dealing with displacement
of commercial fishing efforts. If, for example, we come to the place where the level of
displacement out of the marine reserves necessitates running a licence buyout or an
entitlement buyout of some form then, because there are either economic or ecological or both
types of impacts that need to be adjusted for, we have got to have some basis of understanding
or putting costs around what we think it might take to actually do that adjustment.

If we look back historically at licence buyouts that have been run in other jurisdictions, or
by the Commonwealth, you can work out broadly what the cost of just a buyout component of
a package might look like. In the Great Barrier Reef Marine Park we bought out about $17
million of gross value of production, annually, at a cost of $34 million in the licence buyout—
so two times gross value of production. Gross value of production is a very coarse indicator
of impact. It does not pick up questions around fisheries’ prospectivity, although if you are
running a market-based licence buyout you would expect anybody who is tendering into that
to price-in the full value of their entitlement, including the component of its value that is
about its future fishing potential. Where we land is with a market mechanism where the price
will be determined by what the market offers, subject to governments having a picture about
what might be reasonable for any particular type of entitlement that it would buy.
CHAIR: I will need to move to Senator Boswell. I am not sure how long each senator is going to be in their questioning. Everyone is keen on this one, so if I get a chance to come back, I will.

Senator BOSWELL: Consultation processes closed on the 24th for the Coral Sea. How many submissions did you receive?

Mr Oxley: Just bear with me for a moment. There were a lot on the Coral Sea. I am not avoiding your question; I am trying to find the exact numbers for you.

Mr Clark: We received 487,434 submissions.

Senator BOSWELL: How many were computer generated on a standard template?

Mr Clark: Of those the vast majority were what we classify as campaign submissions, so how they have organised behind that.

Senator BOSWELL: How many were there?

Mr Clark: Four hundred and eight six thousand, so about 1,000 all up were non-campaign submissions.

Senator BOSWELL: What percentage of the 487,000 submissions were from overseas?

Mr Clark: A large proportion of them; in fact, a substantial proportion of them.

Senator BOSWELL: Would it be 90 per cent or 80 per cent?

Mr Clark: We understand that a number of campaigns were originated from overseas, and we have some figures for those. It is not always possible to tell with the use of email addresses whether they originated domestically or internationally. For example, Avaaz, an organisation that ran a large campaign for a 24-hour period, generated some 94 per cent of their submissions from overseas.

Senator BOSWELL: Ninety-four percent of the 487,000?

Mr Clark: No, of that individual campaign.

Senator BOSWELL: You cannot tell me what percentage of the submissions were from overseas because you cannot get the addresses?

Mr Oxley: We cannot be precise about that. We have actually published on our website a summary report of the consultation process that has a lot of statistical information in it, including a very long list of all the countries from which the Avaaz campaign received or managed submissions.

Senator BOSWELL: What percentage of the Coral Sea will be available to commercial fishing?

Mr Oxley: You are now asking us to speculate on the final decisions of government. Government has not yet taken decisions about the final zoning, so we are not able to give you an estimate of that.

Senator BOSWELL: I had a question on notice, No. 1563, which you probably answered. I asked: 'Has the government assessed the number of boats that trawl or fish in highly protected green zones, multiple purpose zones, general purpose zones and special purpose zones?' The answer I received was yes. Can you tell me how many boats?
Mr Oxley: I cannot tell you today precisely how many boats, but we will take that on notice. The socioeconomic assessment work that is being undertaken for the department by ABARES has access to all of that information so we can—

Senator BOSWELL: So, you have the number of boats on the website?

Mr Oxley: I did not say it was on the website. I said that ABARES is doing the socioeconomic assessment work for us and we can take on notice what that number is and provide it to you.

Senator BOSWELL: In the questions I asked whether there would be any trawling allowed in any of these zones—the green protected zones, yellow special purpose zones and blue multiple use zones? It shows quite clearly that trawling is not permitted in any of those zones and yet you have said in your answer, ‘Trawling has not been banned in marine regions.’ That is answer to the third part of the question. I cannot find out where trawling will be allowed. Can you point out to me where trawling is allowed in these marine bioregions?

Mr Oxley: I am familiar with the exchange you had with staff from my division at the last estimates and I am sorry I was not here to answer the questions for you. The reality currently, in terms of the government’s proposal that has been put in relation to the Coral Sea, is that in each of the zoning types trawling operations would not be permitted, based on the zoning that was put out to public consultation.

Senator BOSWELL: That is a complete contradiction to what you have told me in answer to my question 1563.

Mr Oxley: I do not have 1563 in front of me. If I can get a copy I can respond directly to what you are saying, but I do not have the context of the answer. It is a contextual answer, perhaps it is a misunderstanding of the question that you asked. The question that you asked was in relation to marine regions and the department has interpreted that to mean the marine regions writ large. The reality is that within the marine regions writ large, so the parts that are not proposed to be included in marine reserves, trawling will continue under fisheries management, but it is the case that in the marine reserves, for all the zone classifications, trawling would not be allowed under the proposals that the government put out for public consultation. I am sorry if there has been a misunderstanding there.

Senator BOSWELL: Thank you. The minister has said that the maps will be released in winter. That is pretty broad. Can you be more specific on when the maps will be released?

Mr Oxley: No, I cannot be more specific than that.

Senator BOSWELL: Has a final economic and social impact assessment been conducted by ABARES that provides specific details of the full economic and social costs of displacing recreational and commercial fishing and the allied land industries that depend on them?

Mr Oxley: Perhaps for the benefit of the committee I can give an explanation of the socioeconomic assessment process that ABARES has undertaken on behalf of the department. There are several components to the socioeconomic assessment that has been undertaken. Through the agreement, we have contracted ABARES to undertake it. For each of the regions the department has provided financial support to the commercial fishing industry to engage in the Marine Bioregional Planning program. Senator Siewert asked questions about this at previous estimates and we have provided answers on notice. Part of that funding facilitated
the participation of the commercial fishing industry in the socioeconomic assessment work undertaken by ABARES.

Senator BOSWELL: I would like to interrupt you there. What I am interested in is when that report will be released. We have an assurance from Senator Ludwig that there is no process to establish marine bioregions until the economic assessment is put down. When will the economic assessment be put down?

Mr Oxley: The socioeconomic assessments for each of the regions will be available to the government to support its decisions on the final marine reserves networks.

Senator BOSWELL: Yes, but what I am trying to establish is that the final networks cannot be finalised until that economic assessment is put forward.

Mr Oxley: Decisions cannot be made about the final reserves network, on your argument, until the socioeconomic assessment has been completed.

Senator IAN MACDONALD: When is that likely to be?

Mr Oxley: That will be some time during the course of the winter, in time for the government to consider proposals from the minister and to make its decisions about the final marine reserves network.

Senator IAN MACDONALD: Winter starts in 10 days time.

Mr Oxley: Yes.

Senator IAN MACDONALD: So, we could have it in 10 days?

Mr Oxley: I am not going to enter into speculation about when the government is going to make its decision.

Senator BOSWELL: Are you finished?

Senator IAN MACDONALD: I was only helping.

Senator BOSWELL: The minister stated in response that the number of boats and trawlers in the highly protected green zones will be impacted. I have asked you what the total number of boats is and you said that you will provide me with an answer. That is trawling and fishing in all zones that are going to be impacted right around Australia, not just in the Coral Sea.

Mr Oxley: To seek clarification, you are asking for an estimate of the overall number of vessels or licensed operators who are potentially affected by—

Senator BOSWELL: That will be affected, yes. You referred to $58.2 million which is going on for six years. How much of that money is for implementation and how much is for management?

Mr Oxley: Perhaps you can clarify what you mean by ‘implementation’ as opposed to ‘management’?

Senator BOSWELL: Management is where you have a boat and you go around and see if anyone is fishing or doing things that they should not. Implementation is mapping and putting the actual zones down.

Senator IAN MACDONALD: Regulating, too.
Mr Oxley: Implementation from my perspective as head of Marine Division has two key components to it. One is that in the near future—and I cannot be more specific than that—the minister will receive advice from the department about final marine bioregional plans for the south-west, north-west-north and temperate east regions. Once those plans have been made by the minister, the minister must have regard to those plans when making any decisions under national environmental law to which those plans are relevant, and we have to put in place systems within the department to make sure that that regard is had when EPBC Act decisions are being made. The plans also have a range of strategies and actions embedded in them focused on addressing regional conservation priorities, and some of the funding that has been made available, the $58.2 million, will be used for implementation of the marine bioregional plans. Some of the funding will be used to take us through the next step in the process of establishing the marine reserves, which is once the government has made its decisions to actually take them out for the last statutory consultation process, which culminates in proclamation of the reserves by the Governor General. We will then move into a process of discussion with industry about industry adjustment assistance measures and a parallel discussion with industry about the management arrangements for the reserves.

Senator BOSWELL: You are getting ahead of yourself. I will come to that. How are you going to police this? Are you going to spend money on patrol boats and a search and monitoring program? How are you going to physically police this huge area?

Mr Oxley: We are currently in the early stages of developing our thinking about the management arrangements for the new marine reserves, based on our long experience in managing an existing network of marine reserves. You were not here earlier, but Senator Edwards was asking about the nature of our relationship with state agencies. We would continue to work with state agencies under business agreements to deliver management services to us in near shore areas. We have arrangements in place with the Australian Fisheries Management Authority in relation to access to their vessel monitoring.

Senator BOSWELL: Has the Commonwealth made any provisions in its budget in anticipation of agreements from states to manage the marine parks? Have you got any money there?

Mr Oxley: The government has not yet taken decisions in relation to that matter.

Senator IAN MACDONALD: Just to clarify, you have no plans for enforcement; you are going to rely on state marine park patrol boats and AFMA patrol boats, of which there are none?

Mr Oxley: No, that is not what I said at all.

Senator IAN MACDONALD: What did you say?

Mr Oxley: If I had the opportunity to finish answering that question—

Senator IAN MACDONALD: No. You went on for five minutes with bureaucratic speak that said absolutely nothing. Senator Boswell asked you how you were going to protect them, how you were going to patrol them. Do you have patrol boats?

Mr Oxley: We have business agreements in place with state marine park authorities.

Senator IAN MACDONALD: So—

CHAIR: Senator MacDonald, allow Mr Oxley to respond.
Senator IAN MACDONALD: We keep getting these long, bureaucratic answers that do not answer what we are asking. They are a little chat by the bureaucrats. They do not give the information that we want.

CHAIR: I will simply tell you that you do not have the call at the moment. Senator Boswell has run out of time. I am now going to Senator Waters.

Senator WATERS: I have a few questions on Reef Rescue. Reef Rescue has widely been considered to be very successful and its funding, as far as I can make out from the budget, will conclude in June 2013. Is its extension currently under consideration?

Mr Sullivan: Thank you for the question. I think we are going to traverse ground that was covered in the agricultural committee this morning, but I am happy to go over that ground again for the benefit of the committee. With respect to the future for Caring for our Country—

Senator WATERS: Given the time constraints, would you mind confining this to Reef Rescue. I am conscious that the chair has me on a tight time frame.

Mr Sullivan: Reef Rescue is part of the platform that underpins the Caring for our Country investment. In terms of the future investment beyond 2012-13, so beginning of 2013-14, what we have is a secured funding outlook for the following five years, which is $2.2 billion over those five years.

Senator WATERS: That is for CFOC and not for Reef Rescue; is that what you are saying?

Mr Sullivan: That is the total for Caring for our Country. We have agreement on a transition process and a time to do that transition process beginning in the coming weeks and going for some months into this year. We also have the time available to work with stakeholders with respect to the future directions for the program. We also have decisions on the architecture for the future of the program, in terms of an environment stream and an agricultural stream for Caring for our Country into the future. What we do not have is any decisions that have been taken on more specific breakdowns of the funding for Caring for our Country beyond 2012-13, so beginning 2013-14.

Senator WATERS: So you are saying that the extension of Reef Rescue, specifically, is under consideration at this point?

Mr Sullivan: That is not what I am saying. What I am saying is that consideration of the future funding profile for Caring for our Country is a matter for government at the moment. That will, in part, be done through a consultation process. The government has looked at the review of Caring for our Country and made a decision on the future, with some broader parameters. Minister Burke and Minister Ludwig are currently looking at the consultation process and at some point in the near future we hope that we will get the go-ahead in terms of initiating that consultation process. In terms of funding allocations for Reef Rescue and other components of Caring for our Country where funding concludes at the end of 2012-13, those decisions have not been taken yet.

Senator WATERS: When will those decisions be made about extending Reef Rescue, specifically, or not extending it, as the case may be?

Mr Sullivan: That, in part, is a matter for government, but the indicative timing is to try to give some certainty to those regional groups, and included in that is the regional groups, being
the delivery agents for a significant proportion of Reef Rescue, need to be given some certainty as far ahead as possible. That is why the decision, in terms of the review of Caring for our Country, has been taken 14 months out from the start of a new five-year program. That is allowing time for the transition process to happen to try to give certainty. In terms of the time line, again I do not want to pre-empt the decision of government, but towards the end of this year is the indicative sort of time frame.

Senator WATERS: So you are looking at a MYEFO delivery rather than a next budget?

Mr Sullivan: No. It does not have to be a MYEFO decision because it is within the bounds of what has already been agreed by government within the framework of Caring for our Country.

Senator WATERS: I see, so just because it is a divvying up you can announce it at any time?

Mr Sullivan: Absolutely.

Mr Thompson: Mr Sullivan is correct in terms of the consultation process, but it is a matter for government about when they make decisions. So if they make the decisions earlier—

Senator WATERS: Yes, thank you. I was hoping you could give me some indication, which you have done.

Mr Sullivan: I think in the committee process earlier Minister Ludwig indicated that six to eight months is an indicative time frame, and that is where I have based my comment as being towards the end of the year.

Senator BIRMINGHAM: It is probably convenient to flow on a little from what Senator Waters was asking there on Reef Rescue and Caring for our Country funding. I draw your attention to the documents that I intend to refer to first and you can then correct me if I am mistaken in how these things stack up. Obviously there is the PBS, page 33, which takes us through forward Caring for our Country expenses, but there is also an answer provided on notice to Senator Fisher, which was question No. 5, which provides some forward budget estimates for Caring for our Country and which I assume are taken from last year’s budget. Is it correct to accept that there is a significant reduction in the NHT component of Caring for our Country in each of the forward years. Is there any other money hidden anywhere else in the budget?

Mr Sullivan: I will attempt to answer your question with respect to what is in the budget papers regarding savings. I am at page 268 of Budget Paper No. 2, where $123.2 million over four years was provided in savings as part of this budget. Of those savings, $110 million of those had been savings that had already been included in the forward estimates as an offset for the Tasmanian forest industry to move to a more sustainable footing. An additional $13.2 million has been redirected to support other government priorities.

Senator BIRMINGHAM: Clearly the $13.2 million is not in doubt in that regard; it is just a direct cutback to the budget as against what was there previously. Are the savings for the Tasmanian forest industry commitments that had to be honoured as a result of agreements related to Tasmanian forestry?

Mr Sullivan: I am sorry, I lost track of your question.
Senator BIRMINGHAM: The savings specific to the Tasmanian forest industry, the $110 million that you speak of, is that to honour commitments that the government has made in agreements related to the Tasmanian forest industry?

Mr Sullivan: As I understand it, yes, but that is not an expenditure that is coming from Caring for our Country. That has been a savings taken from Caring for our Country for the purposes of supporting the Tasmanian forest industry.

Senator BIRMINGHAM: When were those savings made or identified? ‘Savings’ is an interesting word there. When was the reallocation from Caring for our Country to the Tasmanian forest industry made?

Mr Sullivan: That was included in the forward estimates originally. The decision was taken in MYEFO on the allocation of those savings. MYEFO indicated the provision of the money to assist the Tasmanian forest industry. In terms of the allocation of those savings coming from Caring for our Country, that was part of this budget process. In terms of the exact profile of those savings, it is $36 million in 2013-14, $67 million in 2014-15 and then $7 million per annum ongoing for the next three years of the program.

Senator BIRMINGHAM: Did Caring for our Country previously provide funds for these types of Tasmanian forestry assistance activities?

Mr Sullivan: That is why I went to that point previously. This is not an offset of funding from within Caring for our Country for the Tasmanian forest industry; this has been a savings decision taken out of Caring for our Country for the purposes of providing the savings in consolidated revenue so as to provide and contribute to the funding package for the Tasmanian forest industry. It is not administered by Caring for our Country. The decision has been taken to take that funding out of Caring for our Country.

Senator BIRMINGHAM: Help me by taking it out of budget speak and putting it into something we all understand. Previously has Caring for our Country funding been spent on Tasmanian forestry initiatives, or is this money that is just being reallocated from Caring for our Country to Tasmanian forestry as a totally separate activity?

Mr Sullivan: There are two questions there. The second question is yes, this is money that has been taken. The answer to your first question as to whether Caring for our Country has provided funding for Tasmanian forest activities over the first four years to date, I will have to take that on notice.

Senator BIRMINGHAM: If it has, it certainly has not provided funding in the order of $110 million over a period of time. There were at least some that had specific grants or the like, presumably.

Mr Sullivan: There was nothing of this magnitude.

Senator BIRMINGHAM: So, we can take it that all of it relates to clear savings or clear cuts to Caring for our Country as government reallocates its priorities. Of course it is the government’s right to reallocate priorities, but we can be clear that it is money being cut out of Caring for our Country to pursue those different priorities or to fund them in different ways.

Mr Sullivan: That is correct.
Senator BIRMINGHAM: In terms of the Reef Rescue funding that Senator Waters was speaking about before, has that previously enjoyed a separate budget item or has it always been funded within Caring for our Country?

Ms Howlett: Reef Rescue has always been a subprogram of the Caring for our Country initiative. As you would be aware, Caring for our Country is almost like a family of programs. Within the Caring for our Country group we have Environmental Stewardship, Working on Country, the National Reserve System and the Indigenous Protected Areas program. Reef Rescue is another of the line items within the group of programs.

Senator BIRMINGHAM: Is it still a separate line item or is it now any of those activities will be funded from within, presumably the NHT line item?

Ms Howlett: I may not have been clear. It has always been a line item within the Caring for Country budget. It was not a separate appropriation in its own right. Mr Sullivan was speaking previously about the fact that the separate subline items within the Caring for Country program going forward have not yet been settled.

CHAIR: Senator Birmingham, we have two senators who reckon that they have five minutes each; we know what that is like, so we will say 15 minutes between the pair. If you could get an appropriate time, we could switch to them before the break so they would not need to come back.

Senator BIRMINGHAM: That will hopefully work, depending on the answer to this question. Ms Howlett, I understand that, although in terms of the budget papers that are before me and the answer to Senator Fisher’s question on notice, I can see a line item under Caring for our Country for NHT; I can see a line item for Environmental Stewardship; I can see a line item for Working on Country; I cannot see a line item for Reef Rescue.

Ms Howlett: That is because Reef Rescue has always been a subprogram within the Natural Heritage Trust appropriation.

Senator BIRMINGHAM: That is what I was trying to get at. So it has always been within that NHT pool of funds?

Ms Howlett: Yes, as have the NRS and the Indigenous Protected Areas program and a number of other subprograms.

Senator BIRMINGHAM: Lastly, in terms of forward funding and future funding for Reef Rescue; is it only the funds that exist in the forward estimates as outlined here or are there any contingencies there to restore funding levels in that section?

Mr Sullivan: I will try not to use budget speak. In the first five years of the program, $2.05 billion is forecast to be expensed. In the forward estimates for the current program across the suite of appropriations—that is, stewardship, Working on Country, Landcare and then NHT—there is $2.24 billion forecast to be spent over the next five years.

Senator BIRMINGHAM: So there is a small contingency within there?

Mr Sullivan: Yes.

Senator HEFFERNAN: I would like to talk about mercury contamination from goldmines into streams like the Goulburn River et cetera. I understand it is essentially a state issue, but I think it is an issue in which we have got to take some interest at a federal level because the federal EPBC permit has allowed the cleaning up of the Goulburn River and there
is an application for the Thompson River. People involved in those permits were told that, at worst, 38 tonnes of mercury has been lost in the catchment over 150 years. Searching government records reveals there are actually 4,900 tonnes. The testing of fish in those rivers shows three, four or five times the safe level of mercury in fish. What can you tell us about it?

Mr Thompson: It is not an issue under the Caring for our Country program. It may be an issue related to regulatory functions.

Senator HEFFERNAN: It is, in that the water coming out of the river is being used for irrigation and has heavy contamination, in some cases of mercury and arsenic.

Mr Thompson: I am trying to be helpful in trying to pin down where it may be relevant to answer. It is also about water quality issues, so maybe it is better to ask either our regulatory functions tomorrow or water quality issues tomorrow.

Dr Grimes: What we could do for you is determine which of those areas would be better placed to be able to respond to your questions, and give you an indication of that so that you would know when we would have the officers here that might be able to assist you.

Senator HEFFERNAN: I think this is an issue that all Australians face. Low levels of contamination, especially in pregnant women, lead to serious faults in unborn babies. Places like China have a serious problem from this sort of contamination. These people have now identified high levels of contamination in some of the systems and in some of the crustaceans and fish in those systems. Obviously this particular group of people is wanting to do something about cleaning it up and refining the mercury which flows down out of the goldmines out of the system.

CHAIR: Dr Grimes, what you are saying about this is that it should be dealt with in another program?

Dr Grimes: That is correct. It would be either covered by our environmental quality function, or it may be better handled under the water function. Either way we would determine which of those would have the relevant officers here to respond to questions and perhaps provide an indication for the committee so that Senator Heffernan can get some answers to his questions.

CHAIR: Could somebody give some thought to that during the break so that we can advise Senator Heffernan when he can deal with this issue?

Dr Grimes: We would be happy to do that.

Senator HEFFERNAN: I will just read one thing into the Hansard just to guide you. This company states:

We got the federal EPBC permit for the first project in the Goulburn River in Victoria, recognised as long ago as ’72 as the most mercury polluted catchment in Australia.

So it is quite an issue.

CHAIR: We will be in touch with you about when you can come back to this one.

Senator McKENZIE: I want to ask a general question about the department’s collection of geotechnical data and information. You do have that capacity and generate that sort of information?

Mr Thompson: When you say 'geotechnical', just to clarify, do you mean spatial data about biophysical aspects of the environment or do you mean geological?
Senator McKENZIE: Geological.

Mr Thompson: I am not too sure I can answer that question.

Senator McKENZIE: Given the time constraints, I am more than happy to put my question on notice. It goes to disaster recovery and the floods, the torrential downpour in Victoria and lots of landslides. It is very expensive for local councils to undertake their own gathering of that data, especially when I think it does exist somewhere. I am just trying to find out where it does exist.

Mr Thompson: I am pretty sure it is not this portfolio.

Senator McKENZIE: Are you able to help me at all?

Mr Thompson: In terms of that detail, Geoscience Australia may have that data, which is in the Resources, Energy and Tourism portfolio.

Senator McKENZIE: Excellent, so tomorrow it is. My second half of that time allotment goes to a Caring for our Country grant of $583,000 awarded to the Department of Sustainability and Environment in Victoria. It is a Victorian project which, amongst its foci, includes managing weeds, managing livestock, grazing et cetera. I am just wondering if you could give us a bit more of an outline on that project.

Mr Sullivan: I will have to take that on notice in terms of going back and working out which project you are referring to. Caring for our Country has a number of substantial investments in Victoria and I have some detail on those. I can go back through our records and look at the amount of funding that you have outlined and for its purposes and to take it on notice and give you some indication of what that project was for and, depending on when that investment happened, give you a summary.

Senator McKENZIE: It is a recent one. That would be fantastic. Particularly I am interested in the ideas around managing livestock grazing within that particular space of country.

CHAIR: We will break now until four o’clock.

Proceedings suspended from 15:37 to 16:03

CHAIR: Senator Birmingham.

Senator BIRMINGHAM: Welcome, Minister Conroy. I trust we will be seeing you in Adelaide on Saturday night. I think Senator Farrell wanted to extend that invitation as well. Mr Sullivan, thank you for your help to date on the Caring for Country budget. I now want to turn to the Treasury allocations of that budget—the National Partnership Caring for Country grants. What role, if any, does the Department of Environment have in determining what is appropriate under those grants?

Ms Howlett: I may be able to assist you. As you are aware, those payments are delivered through the federal financial framework. Those payments are in fact our regional base level payments to the natural resource management regions. Over the years those funds have been committed on a variety of bases. Some regions have been on year-to-year payments and many have been on multiyear contracts. The allocation between the regions was decided by ministers, and within those allocations the regional bodies put proposals to the department.

Senator BIRMINGHAM: The allocation between the regions was decided by ministers, as in the ministers for the environment?
Ms Howlett: The Minister for the Environment and the Minister for Agriculture as the ministerial board.

Senator BIRMINGHAM: Between the Commonwealth ministers, yes.

Ms Howlett: Then each year the NRM bodies put proposals to the departments outlining how they intend to spend their notional allocation, which had to be against the Caring for Our Country national priority areas. Those proposals were then assessed by departmental staff and recommendations were put to ministers about the approval of those funds. Once those recommendations are made to ministers and ministers have made decisions about locking in those funds, all of those funds are contracted to the end of the program. Minister Burke, as the responsible minister for the appropriation, advises Treasury that they can release the payments.

Senator BIRMINGHAM: So, for the life of the program. How long into the future are these regional base level grants locked in?

Ms Howlett: Until the end of June 2013.

Senator BIRMINGHAM: In the period between now and June 2013 what will the NRM groups and the like have to do?

Ms Howlett: A range of activities. They vary.

Senator BIRMINGHAM: Let me add on to that. What do they have to do to secure their future funding as against what they are having to do to meet the requirements of the funding they are getting?

Mr Sullivan: As I said before—and this is the same answer as I have given on Reef Rescue—that component of the funding is still to be determined by government. NRM bodies will form a critical component of the consultation process between now and later this calendar year in terms of what the funding priorities are for the next tranche of funding beginning in 2013-14.

Senator BIRMINGHAM: How long have these contracts been in place in terms of the base level funding provision?

Ms Howlett: Under Caring for Our Country—as you would be aware, the regional bodies were previously funded under the NHT so it is a longstanding arrangement—there has been regional base level funding since the beginning of the program. Some of those contracts have been one year, some have been two or three years and over the course of the last financial year all of them have been contracted till the end of the program.

Senator BIRMINGHAM: I assume the review will obviously look at whether there is an optimal period to provide base level funding for such organisations?

Ms Howlett: We have had feedback from the regional bodies that having multiyear funding agreements has, on the whole, been very helpful to them. Some organisations, for whatever reason, chose to go year to year in the earlier years of the program, but most locked in their funding for the final three years as they settled into how the program worked and what they could deliver.

Mr Sullivan: There is an issue there as well. This is not just about what regional bodies want in terms of multiyear commitments. This is aligning with government priorities. It is probably worth reinforcing that multiple State of the Environment reports have talked about
the benefits of longer-term funding commitments in natural resource management and environment protection and conservation, because of the decadal result times that we are often encountering. I did not want to leave the impression that it is purely a choice of picking and choosing for regional bodies as to how much they want and how long it is for.

Senator BIRMINGHAM: So, the share between states that is outlined in the budget for these partnership payments or the base level payments really is a default of the assessment of the department about what each regional body should get, and just happens then to tally up into a state-by-state share?

Mr Sullivan: I am not sure where you get the ‘state-by-state share’.

Senator BIRMINGHAM: Page 104 of Budget Paper No. 3.

Mr Sullivan: These are basically not an allocation of state and then regional bodies get a component. Again, this preceded me, so correct me if I am wrong. This is a reflection of the funding agreements that have been put in place. As was said earlier, some are single-year agreements and some are multiyear agreements.

Senator BIRMINGHAM: So, the presentation in Treasury’s budget papers is an outcome of that regional allocation process and the states have no direct say over how that is carved up or where those grants necessarily go?

Mr Thompson: It is built from the ground up, as I understand it.

Mr Sullivan: It also reflects, again, the change between previous NHT to Caring for Country where it was quite clear that the priority areas for investment were the Commonwealth’s priority areas for investment.

Senator BIRMINGHAM: I would like to ask about one area, environmental stewardship grants during 2010-11. It was provided in response to a question on notice through the Senate and not through estimates that I had asked. There is a series of grants to Carbon Vision Pty Ltd under the environmental stewardship funding stream. They total nearly $3.1 million in grants during 2010-11. All of them are described as commercial-in-confidence in the table that I have been provided with. Who is Carbon Vision and what is so confidential about the Caring for Country environmental stewardship grants they get?

Mr Sullivan: I do not have the detail of what sits behind those five line items that are given to you in that pretty comprehensive piece of work.

Senator BIRMINGHAM: At least you are now reassured that I do look at it when you give it to me.

Mr Sullivan: Be assured that I looked at it as well, but I do not have the detail of those five contracts and why they would be listed in terms of commercial-in-confidence. I would need to do some work for you now quickly or take that on notice.

Senator BIRMINGHAM: If you or any of the officials listening are able to turn up something to be able to come back to the committee with, that would be appreciated. I can tell you that a simple Google search for Carbon Vision Pty Ltd does not seem to turn up any hits, either. They seem to be a rather obscure or secretive organisation and their $3.1 million in funding from the Commonwealth also seems to be a bit obscure or secretive.

Mr Sullivan: We will endeavour to get you something, maybe after the dinner break. I am happy to use best endeavours to get that by then and, if not, we will take it on notice.
Senator BIRMINGHAM: Chair, that is a natural break for me. I can come back with other issues.

CHAIR: Senator Siewert.

Senator SIEWERT: On Caring for Country?

CHAIR: Caring for Country.

Senator SIEWERT: I would like to pick up where I left off next door. I was told to ask you about allocations for what is happening in the environment portfolio, obviously, but I am particularly interested in resources for the NRS, the reserve system, and how the consultation process will roll out from here.

Mr Sullivan: Just so I understand the question correctly, you are asking about allocations for the NRS in terms of the new program beyond 2013-14?

Senator SIEWERT: Yes.

Mr Sullivan: Again, I will give you the same answer that I have given in terms of the potential allocation for regional groups and the potential allocation for reef investments. The decision on investment for the NRS will be taken by the government following the consultation process. That will happen over the course of the remainder of the calendar year.

Senator SIEWERT: With the consultation process, when you have consulted on expenditure of funds, has it included expenditure on some of those core programs like the National Reserve System?

Mr Sullivan: In terms of the consultation process that preceded Caring for Our Country, I think there were some nominal allocations that happened during election commitments, and then there were subsequent determinations from what was left of the funding. In this tranche of moving from Caring for Our Country, in terms of the first five years and moving to the next five years, we have deliberately done the review process reasonably early to allow a sufficient period for not only the architecture to be built in terms of the implementation of the second tranche of funding but also in terms of setting the priorities and having that conversation with stakeholders across Australia.

Senator SIEWERT: We are not going to complete the NRS process by the end of this financial year, are we?

Mr Sullivan: In terms of the targets that were set out at the start of Caring for Our Country, we remain on track to meet those targets. There are some difficulties there. I think you have traversed this space previously with the Director of National Parks with respect to availability of properties for purchase and some of the problems that creates in terms of market constraints. However, the latest report card still had NRS in the green in terms of achieving outcomes, and I have not seen anything to date from parks which affects that overall objective of meeting the targets set for the NRS.

Mr Thompson: It might be worth clarifying that when we talk about the target in that context we are referring not only to NRS but also to Indigenous protected areas, because they make a contribution as well.

Senator SIEWERT: I want to come back to IPAs. My concern is that if you go through this consultation process are you then saying that if NRS is down the bottom of the list we are going to drop completing the NRS?
Mr Thompson: That depends on a couple of things: firstly, what the outcome of the consultation process is and, secondly, what the government decides about it.

Senator SIEWERT: Is the $58 million or so in marine funding coming out of the Caring for Our Country funding or is it separate?

Mr Sullivan: No. I think you are talking about the $58 million over six years.

Senator SIEWERT: Yes.

Mr Sullivan: Mr Oxley went through this in previous testimony earlier this afternoon. That was already in the provisional forward estimates and so while it is not represented as new funding or a new allocation it gives some funding certainty to the outlook for funding for that purpose.

Senator SIEWERT: It is not counted against Caring for Our Country?

Mr Sullivan: No, it is a separate appropriation. It is a departmental appropriation.

Senator SIEWERT: In terms of the deliverables under Caring for Country—and I know you would have heard me ask this next door—we have deliverables of ‘contribute to the implementation of reforms of the EPBC and Biodiversity Conservation Act’.

Mr Sullivan: I think you are quoting from the Agriculture portfolio budget statement. My understanding is that their funding envelope is similar to my division’s funding envelope, where I have departmental funds as well as Caring for Our Country funding. Within that responsible division, which is reporting to 1.2 from memory, under the DAFF PBS, there are responsibilities that are wider than just Caring for Our Country.

Senator SIEWERT: So, you have the same thing?

Mr Sullivan: In terms of funding within my responsibilities. For example, we undertake work on the National Strategy for Biological Diversity Conservation, and so that comes through as a separate departmental funding stream in terms of the interactions that we have with state governments. It does not come directly from Caring for Our Country.

Senator SIEWERT: So, we will no longer have a priority of delivering the National Reserve System?

Mr Sullivan: As Mr Thompson said, in terms of 2013-14, that is a matter for government and, in being consistent with earlier testimony from the agriculture committee, that is not intended to set hares running. It is intended to say that no decisions have been made by government and I am not in a position to pre-empt what my set of priorities are or what someone else’s set of priorities are. That decision has not been made.

Senator SIEWERT: That is a statement in itself, quite frankly. If the government has not been prepared to commit, through the budget, to the National Reserve System, that is a statement in itself.

Mr Sullivan: It has committed to next year. Both this financial year and next financial year as we come to the completion of the first tranche of funding and over the next six months, given the security of the funding envelope for the next five years, we will be in the process of undertaking a consultation process with both portfolios and others involved, consulting widely and providing advice to government well ahead of time so that we are in a position to not only finish well in terms of the first tranche of funding for Caring for Our
Country, but also to then be in a position to map and manage the transition and start well come 2013-14.

Senator SIEWERT: I want to go to Working on Country and IPAs before I get pinged for time, but I presume that when you said both agencies or areas will be consulting you will be responsible for the NRS and environment side of the $1.5 billion share of the $2.2 billion for Caring for Country. The consultation process presumably will be a joined-up consultation process; there will not be two?

Mr Sullivan: Absolutely. We intend to still retain the single point of entry on this, and we will not do that as a separate consultation process. Again, details of that need to be settled by ministers, but there is a clear commitment to a continuation of the Caring for Our Country brand and the various appropriation lines that fit under Caring for Our Country. In terms of the future with the two streams, the intention is to provide greater certainty as to decision making and clarity for decision making. In terms of the overall objectives, they are set out for the program and I think they are referred to in Budget Paper No. 2, where there is a series of objectives for the next tranche of funding.

Mr Thompson: If your question goes to whether the National Reserve System could form part of the environment stream in the future program then I think the answer is yes.

Senator SIEWERT: So, agriculture will not determine if there is an NRS; that will be part of the environmental decision making?

Mr Sullivan: That is the expectation, but again this whole appropriation, particularly under the NHT, is still subjected to the NHT ministerial board. So, there will be joined-up governance. A marker for us is that we remain committed to joined-up governance under the Caring for Our Country family, but we will move away from joined-up day-to-day management.

Senator SIEWERT: So, you will move away?

Mr Sullivan: Yes.

Senator SIEWERT: Can you say exactly what that means? So, you will do more of the environment and they will do more of the—

Mr Sullivan: In effect, this reflects the evolution of what has been happening through the first tranche of funding under Caring for our Country, where there has been a move to more sole decision making by ministers. I think under the review process it gave a schematic of who had sole responsibility for what components of the funding. This is not something new. This is actually moving towards that. What we are moving to is more of a focus on joined up governance, and so that gives us more of an opportunity to look at complementarity and additionality with respect to the biodiversity fund, for example.

Senator SIEWERT: I will have to put the other questions on notice about Caring for Country. Do IPAs fall under the same consultation process as NRS?

Mr Sullivan: Yes. It is basically the whole suite of the current investment portfolio. No decision has been made on how we move from Caring for Country in terms of the splits other than what has been allocated for the stewardship program, which has its own forward estimate. Working on Country, Land Care and the Special Account all have their own forward estimates.
Senator SIEWERT: But IPAs fall under this. So, Working on Country is okay; it is IPAs that are the issue? Is that correct?

Mr Sullivan: It is not the issue, but it is included in—

Senator SIEWERT: I am sorry, IPAs are the ones that fall in that bucket of consultation?

Mr Sullivan: Yes, that is correct.

Senator SIEWERT: I have already asked next door to make sure that MPs are included in the consultation process. Would you also be able to take on notice to provide us with the list of stakeholders you intend inviting to these consultations?

Mr Sullivan: Yes, I will take that on notice.

CHAIR: Senator Boswell.

Senator BOSWELL: Are we on natural resource management?

CHAIR: Yes.

Senator BOSWELL: Mr Burke announced $9.2 million in funding, with 23 natural resource management regions to participate in that. What NRM bodies are receiving the funding and how much funding is going to each NRM body?

Mr Sullivan: I am completely in the dark about what announcement you are referring to.

Senator BOSWELL: Maybe I can give you a press release that might help you.

Senator Conroy: A title would be good.

Senator BOSWELL: I am always here to help.

Mr Sullivan: This is with respect to coal seam gas and the Office of Water Science, which is scheduled to give evidence tomorrow.

Senator BOSWELL: You cannot—

Mr Sullivan: No.

Senator BOSWELL: Thank you very much. What time are they on?

Mr Thompson: I think it is in the afternoon. Outcome 4 starts at 2 o’clock tomorrow and runs through to 5.15 pm, when the Commonwealth Environmental Water Office comes on.

CHAIR: Have you any more on 1.1, Senator Boswell?

Senator BOSWELL: I have, but it is part of where we were before.

Senator IAN MACDONALD: That is where I am going.

Senator BOSWELL: I will go there if you like.

Senator IAN MACDONALD: I think we are on the same thing.

CHAIR: Senator Macdonald.

Senator IAN MACDONALD: Could you elaborate to us on what interaction the international or American based environment group Pew had on the federal government’s decision to pursue the marine regional planning area in the Coral Sea?

Senator Conroy: Is that a CIA front? That is another CIA front. Have you been getting your questions from Clive Palmer?
Senator IAN MACDONALD: You have asked a question. We are really here to ask you questions, but I can give you the answer. It is a group funded by the old oil interests in America. That is how it started, the Pew group.

Senator Conroy: It must be. Shame on you.

Senator IAN MACDONALD: It is.

CHAIR: Let us have questions and answers.

Senator SIEWERT: They are us and we are them; is that what you are trying to imply?

CHAIR: Order! Senator Siewert!

Senator Conroy: Sorry, Chair.

Senator IAN MACDONALD: What interaction have you had with the American oil funded environment group Pew?

Mr Oxley: The Pew group is one of a number of environment non-government organisations that have been engaging with the government and participated in the public consultation process in relation to the proposed marine reserves.

Senator IAN MACDONALD: When you say the consultation process, I know their CEO is a very effective, persuasive young person, honoured by Australia—very effective. I know she is often down here. How often would you see a representative of the Pew group in connection with this Coral Sea issue?

Mr Oxley: When representatives of the Pew group and other environment non-government organisations—any organisation—are in Canberra they tend to make a call to me or members of my staff wanting to come and touch base and get an understanding about where the public consultation process is. Sometimes we accede to their requests to meetings, sometimes we do not. I am going to say at a guess perhaps once every three months or so. I would have to go back and look at my diary to work out whether that frequency estimate is right or not.

Senator IAN MACDONALD: Could the minister take on notice if we could find out if the actual minister, the environment minister, would be prepared to tell us how many times he has met with representatives of the Pew group and who arranged those meetings? Was it a member of parliament or was it just done?

Senator Conroy: I am happy to take that on notice.

Senator IAN MACDONALD: Thank you. Senator Boswell was asking you before about what plans would be in place to monitor no-take fishing zones. I think when we stopped discussing this last time I was assisting Senator Boswell by asking whether you would rely on the Queensland Fisheries Patrol to do that or rely on the Australian Navy. What do you do currently for any marine protected areas? How are they presently monitored and would this be what would happen in the case of more reserves in the Coral Sea?

Mr Oxley: I would say firstly that, as to what we do now, one of our options is to upscale it, but there are also options to look at other management arrangements. So, in terms of what we do now, for the nearer shore existing marine reserves we often use state agencies. Some of them will do on-water compliance with patrol boats. I am talking about the ones that are nearer to shore in those circumstances. Down in the south-east we use Tasmanian police to do aerial surveillance. You may have seen some reporting recently in relation to some fisheries
compliance activity that was undertaken in the South East Trawl Fishery. That was actually one of our surveillance flights where we had an AFMA officer engaged and that resulted in some action against some fishers who were not complying with seabird mitigation requirements. So, aerial surveillance using Tasmanian police in that area, but we would also potentially be using other aerial surveillance in other regions.

We use the Customs and Border Protection Service to do aerial surveillance for us as part of the broader border protection services. There is a comprehensive process of looking at risks of infringement against all of our national interests, and marine reserves are considered as part of that. So, we use Customs to do on-water surveillance and other surveillance in relation to marine reserves. We also use already the Australian Fisheries Management Authority’s vessel monitoring capability. It provides to us information about the whereabouts of fishers and their presence or otherwise in marine reserves, and we would be looking to upscale the use of that technology.

They are the core things that we do now that we have the opportunity to expand the use. Then there would be opportunities for us to look at co-management opportunities with industry sectors potentially in some of the northern parts of Australia using traditional owners in some areas. That is broadly how we would approach it.

**Senator IAN MACDONALD:** Do you pay Customs, ANSA or Tasmanian police to do that work for you?

**Mr Oxley:** Where it comes to services provided by Customs, they are done as part of their broader set of responsibilities. Marine reserve compliance is—

**Senator IAN MACDONALD:** So, you do not pay them any extra?

**Mr Oxley:** We do not pay any extra for that. But when it comes to access, for example, to the vessel monitoring system that ABARE runs, we basically pay on a per poll basis.

**Senator IAN MACDONALD:** AFMA, you mean, not ABARE?

**Mr Oxley:** AFMA, yes.

**Senator IAN MACDONALD:** The vessel monitoring system is great and the Indigenous rangers are great for Australian vessels that comply with the law and run VMSs. I am really more interested in what happens a long way offshore, which the Coral Sea is. International pirates do not run with vessel monitoring systems, or if they do have them they are disabled, and where Indigenous groups are unlikely to be. Occasionally you will get a Customs overflight. What plans are there to monitor these things? The concern is that Australian fishermen will reluctantly and grumpily abide by the law, but we all know the international pirates and rogue fishermen will not. The worry is you will shut off the Coral Sea. That will stop Australian legal operators going there and just leave it open slather for anyone else. What is the plan to address that issue?

**Mr Oxley:** The concern you are raising is one that has been expressed to us in the consultation process. We are at the early stages of working through what our management arrangements will look like, so I cannot be definitive. I have indicated that we use the Customs and Border Protection Service for some of our more remote surveillance and patrol work. The Navy also operates in that same space and does work on our behalf. I cannot give you a definitive answer, because we have not yet got decisions.
Senator IAN MACDONALD: Are you going to set aside additional money for additional protection, be it Navy, be it Customs or be it state? I do not think you will get the state government out there, only because it is far offshore. Is there additional money planned for surveillance and enforcement once you keep legal operators out of there?

Mr Oxley: You are now taking us into territory where this is about advice that we provide to the government and decisions that have not yet been taken.

Senator IAN MACDONALD: That is fair enough. I have just had a bit of a discussion in the DAFF estimates about the Western and Central Pacific Fisheries Commission and how they monitor stocks of tuna that move around the Pacific Ocean. It was indicated to me it is quite a good tuna fishery. It is not at all used by Australians at the present time. There is a little bit of international interest in it. For those very few Australians who do operate in what is a very sustainable fishery, I am told, are they going to be compensated? Is that the intention if there are any closures?

Mr Oxley: Are you now talking about within the Coral Sea?

Senator IAN MACDONALD: Yes, the Eastern Tuna and Billfish Fishery.

Mr Oxley: The government released last year its fisheries adjustment policy. It would be a policy that you would be very familiar with. It is essentially a continuation of the 2004 policy. That policy sets out the objectives for the provision of assistance on a case-by-case basis to businesses that are impacted by decisions to create marine reserves, recognising that you are taking something from commercial use and putting it into the public good of biodiversity conservation. The detail about an industry adjustment package is yet to be resolved. That is something that needs to be done in consultation with industry according to that policy. Again, no decisions have been taken by the government.

Senator IAN MACDONALD: I understand. Senator Boswell wants to go into that, but I will just finish on this point. Again, I mention the Western and Central Pacific Fisheries Commission, which suggests to me it is a very sustainable tuna fishery in the Coral Sea. Has their view been sought or the view of others been sought on the sustainability or otherwise of the Coral Sea as a fishery?

Mr Oxley: That one I will take on notice. Certainly we have an ongoing dialogue with the Department of Agriculture, Fisheries and Forestry about the marine reserves development process, and they feed their views into government in that regard.

Senator IAN MACDONALD: Senator Boswell would like to follow up.

Senator BOSWELL: Once the marine parks are proclaimed, will the fishermen be excluded immediately from the green zones or any other zones or will the fishermen be excluded only when the management plan is in place?

Mr Oxley: This is something that we are currently working through. The indication that I have given previously in answer to questions in the Senate is that once the marine reserves are proclaimed there will need to be a period of time where we develop interim management arrangements and then the long-term formal management plans, and where to the extent that we need to undertake industry structural adjustment for that adjustment to be delivered and to take effect. So, I would expect as a general proposition that in the period between the formal proclamation there would be a lead time while all these things were done before they came fully into effect.
Senator BOSWELL: What would that time be, do you anticipate?

Mr Oxley: I cannot yet give you a reasonable estimate of that.

Senator BOSWELL: Would it be three months?

Mr Oxley: I cannot give you a reasonable estimate of that. It will be a question of how long it takes us to work through interim management arrangements and how long it takes us to actually work through, with industry and fisheries managers, all of the necessary adjustments.

Senator BOSWELL: We have heard a number of times statements that adjustment assistance will be provided, but it will not be in the scale or scope provided to the Great Barrier Reef. How will it differ from the Great Barrier Reef? Can you provide details of the adjustment assistance? Is it the Commonwealth’s intention to provide assistance to rights holders, crews and families impacted, onshore businesses and for resulting downstream impacts?

Mr Oxley: I cannot give you a clear answer to any of those specific points that you have raised, because all of those are subject to decisions that are yet to be taken by the government. You are drawing a comparison with the Great Barrier Reef Marine Park structural adjustment package that followed on from the rezoning of the marine park. The size of displacement of fisheries in that marine park was about $12 million to $14 million in annual catch value displaced from a fishery with about $120 million value. We ended up, through the licence buyout, removing about $17 million in catch value, or 10 per cent to 15 per cent of the fisheries in the Great Barrier Reef Marine Park.

In the proposals that the government has taken to public consultation the equivalent catch value displaced around the whole of the national marine reserves network is about $12 million. That is in a wild catch fishery that in 2009, when I looked at the latest Australian fisheries statistics, was about a $1.3 billion to $1.4 billion fishery. So, without in any way wanting to downplay the significance potentially for individual businesses and fisheries of what is being proposed, we are looking at overall displacement of about one per cent of the value of commercial fisheries, but again that does not mean the impacts are not potentially significant for individual businesses.

Senator BOSWELL: Has the government included adjustment for those fishing licences that are held—or sleeper licences, I suppose—that are currently unutilised? Will that be part of the adjustment?

Mr Oxley: We are talking here about licences that are unused, or latent effort. In the design of whatever the adjustment package finally looks like, one of the things that we will need to take account of is how we would deal with those sleeper licences, to use your term.

Senator BOSWELL: When will this adjustment assistance package be worked out? We have heard that in 10 days time the minister is going to—in the winter, which is in 10 days—announce the plans. How many days after that will we know what the adjustment package looks like?

Mr Oxley: The broad indication the minister has given, as you have already said, is decisions announced in relation to the marine reserves network in the winter. That is what he has said to a number of commercial fishers and others in meetings in recent weeks. Your intelligence is good in that regard. As soon as the decisions of government are announced I
expect that the department is then going to be involved in the discussion with industry about
the design and implementation of the adjustment package.

Senator BOSWELL: How long after?

Mr Oxley: I do not know how long it will take to go through that consultation and finalise
advice to the government and for the government to then make decisions about the final scope
of an adjustment package.

Senator BOSWELL: As to the proposed north bioregions, there are a number of areas
where trawl, longline and benthic gillnet will be excluded, and oil and gas exploration will be
permitted under Mr Ferguson’s recently announced expanded exploration zones. Can you
identify where the proposed marine park in the Northern Territory and these new exploration
zones will be? Where are these new exploration zones for oil and gas?

Mr Oxley: The acreage release program, and the latest 2012 acreage areas, were
announced by Minister Ferguson last week.

Senator BOSWELL: And they have a latitude and longitude?

Mr Oxley: They have, and all of the information about those areas is on the Department
of Resources, Energy and Tourism website.

Senator BOSWELL: How do you justify that? I am not against oil and gas, but it does
seem passing strange that you can try on one hand to exclude fishermen but let rip with oil
and gas. How does that gel? Surely it does not gel.

Mr Oxley: Firstly, I do not accept the proposition that it is a ‘let it rip’. It is releasing an
area for exploration and potentially future development should an economic resource be
found. But the reality is that for the offshore petroleum industry any development proposal
has to be approved through the Offshore Petroleum and Greenhouse Gas Storage Act by the
new regulatory authority, NOPSEMA, that deals with both safety and environmental
management. If any one of the oil and gas industry’s proposed activities, for example
exploration, has, will have or is likely to have an impact on a matter of national environmental
significance here, the Commonwealth marine area, it has to be referred and potentially
assessed and approved under the EPBC Act—

Senator BOSWELL: The fact that you are drilling for—

CHAIR: Senator Boswell, if you will let Mr Oxley—

Senator BOSWELL: No—

CHAIR: It is not ‘no’. If you would let Mr Oxley finish, and you have two minutes left.
Mr Oxley, can you finish your answer, and then I will come back to Senator Boswell.

Mr Oxley: Every oil and gas development gets specific environmental assessment under
the EPBC Act at the scale where it is.

Senator BOSWELL: You have answered that question.

Mr Oxley: So, for fisheries we have done risk assessments that look at the impact of
fishing gears in the area of a marine park at a much smaller scale than a whole fishery.

Senator BOSWELL: You have answered the question. I have two minutes to ask some
more questions.
CHAIR: This will have to be your last question, because I have two other senators waiting for the call.

Senator BOSWELL: Australia at present has approximately 35 per cent of the world’s marine protected estate. What will Australia’s total percentage of the world’s marine protected estate be once all the marine parks are declared?

Mr Oxley: I do not know, because many other nations around the world are also in the process of establishing marine parks. At any particular day the number is going to be different.

Senator BOSWELL: As of today—

Mr Oxley: I will take that on notice.

Senator BOSWELL: I have been told it is 70 per cent, but can you confirm that?

Mr Oxley: I can take it on notice. I do not have that number in front of me or in my head.

Senator BOSWELL: Can I have another question?

CHAIR: As long as it is quick.

Senator BOSWELL: As a party to the convention on biological diversity Australia has agreed to establish protected areas. Under the new strategic plan for biodiversity, target 11 stipulates that by 2020 at least 10 per cent of the coastal and marine areas, particularly of importance for biodiversity and ecosystems, are conserved. Australia already has 10 per cent. Why do we want to go to 70 per cent? What is the badge of honour by exceeding our percentage from 10 per cent to 70 per cent? It makes Senator Waters happy; it makes a lot of people unhappy.

Senator SIEWERT: Where did you get this 70 per cent from?

CHAIR: Order! Mr Oxley, do you have an answer to that question?

Mr Oxley: No, Chair.

CHAIR: Okay.

Senator BOSWELL: Can you take on notice why we have to go from 10 per cent? That is what we promised, that is our commitment and that is the world’s commitment. But we have 35 per cent now and I am told we are going to 70 per cent. You are going to confirm that or not confirm that. What is the rationale for going from 10 per cent to an amount that far exceeds 10 per cent?

Mr Oxley: The 10 per cent is by way of an aspirational target. It also refers to all of the different ecosystem types. There are many ecosystem types—we call them provincial bioregions—in Australia that are not currently represented in our marine reserves network. We are seeking to make sure that each of those large scale ecosystems is represented in our marine reserves network once this process is completed.

CHAIR: Senator Boswell, Senator Birmingham is going to concede his five minutes to you if you have further questions, and then I will be going to Senator Waters. Four minutes, actually.

Senator BOSWELL: Can you let Senator Waters go and then I will come in after her? Will that be okay?

CHAIR: Yes, that is no problem. Senator Waters, you have five minutes.
Senator WATERS: Thank you. I have some questions on the NRS.

CHAIR: I am sorry to do this to you, but I keep missing this. Mr Sullivan, you have a quick answer to a question on notice?

Mr Sullivan: Yes, in terms of the question that Senator McKenzie asked on north-east Victoria, which referred to a project proposal of $583,000. It was to contribute to increasing native habitat targets, around 390 hectares of habitat for nationally threatened species and ecological communities in north-east Victoria. Part of that proposal was ideas around management of livestock grazing, which I think you referred to. The project did include 20 hectares of fencing near the Warby Range to restrict livestock grazing around springs to promote natural regen of threatened native plant species. The Victorian department received an offer of funding for that project in February 2012. As of March 2012 they declined the offer of funding, and so the project has not progressed.

CHAIR: Thank you. Senator Waters.

Senator WATERS: According to SEWPaC’s website, for land to be eligible to be included in the NRS the land must be designated a protected area to be conserved forever with effective legal means guaranteeing its perpetual conservation. I know Bimblebox Nature Refuge in Central Queensland is classed as a nature refuge under Queensland state laws but it is not actually protected from quite a number of things, including Clive Palmer’s coalmine. Have those new rules come in after the purchase of Bimblebox or how do those two things coexist?

Mr Sullivan: The relevant person in terms of the NRS is the Director of National Parks. With respect to Bimblebox, my understanding is that it is a nature refuge under the Queensland legislation, which does allow mining in a nature refuge. With respect to the status of the NRS—and again I will have to correct the record if I am wrong here; this is again not my direct responsibility—included in the National Reserve System are, I assume, class 6 reserves, which are multiple use. They are there in perpetuity in terms of that guiding principle to be part of the NRS. However, class 6 reserves do allow multiple use. I assume from Bimblebox that it will be classified, I assume, as multiple use.

Senator WATERS: I am not sure of the classification. I was just confused by that statement on the website. What coordination is there between the Commonwealth and the Queensland governments, in particular, that either is being undertaken or could be undertaken to avoid the loss of taxpayer investment through the NRS where this so-called protected land is actually subsequently to be mined?

Mr Sullivan: With respect to that—and I assume that you are referring again to Bimblebox—I would have to take that on notice and get the details for you. As I said, it is not my area of responsibility and I am unaware of the negotiations or discussions that have been happening.

Senator WATERS: If you could take that on notice. Perhaps you might need to take this on notice also. I am interested in any other instances where this has occurred and essentially how much federal investment has been undermined literally as well as rhetorically to date.

Mr Sullivan: Again, I would have to talk to my colleague, but I think it is probably better that I just take that on notice and we will get that information to you.
Senator WATERS: Perhaps I can be a little more specific. Obviously the department would track the size and the composition of the NRS over time. I am interested in the last five years on all areas that have been part of the NRS that have either since been removed or altered or exempted or offset or otherwise subject to mining and quarrying activities. Can we get a proportion? Lastly, given the extensive percentage of Australia that is now subject to mining tenure of some description—or petroleum tenure, for that matter—is the department doing any assessment work to determine what the potential impact of the resources boom might be on the NRS?

Mr Oxley: I am not aware of any, but I will take that on notice as well and look to see whether any analysis has been done.

Senator WATERS: Thank you very much. Thank you, Chair.

CHAIR: Senator Boswell.

Senator BOSWELL: Senator Macdonald was asking you about states managing the marine bioregions. Has any state been required to take up the management of any of your marine parks or bioregions in the past?

Mr Oxley: We have not required them to, but in Western Australia, South Australia, Victoria, Tasmania and New South Wales we have business agreements with state marine park agencies or other state departments and we pay them to provide management services on our behalf.

Senator BOSWELL: Did you pay dividends? I have a letter here from Western Australia where the minister has said that he is not going to do it unless he is well and truly compensated. Has the Commonwealth made any provision in the budget to support the states managing marine parks?

Mr Oxley: We have a current provision for the management of our marine reserves, some of which is paid to the states to manage some of the marine reserves. I would expect that that arrangement would continue in the future. As to the future management costs, we have security as a department of over $9.7 million a year in funding as a base for the future management work, but no decisions have yet been taken by government about the future marine reserves network and, therefore, the management of those.

Senator BOSWELL: The chronological order is such that, in a couple of weeks, when the minister presents the marine bioplans, the clock starts to tick, as from that time there are two months before the proclamations take place. At what point of time will the management plans be prepared for the bioregions—after or before?

Mr Oxley: If I can use the south-east region as an example, proclamations were made, and they came into effect approximately three or four months after that date. In that intervening period, we spent time talking with industry, primarily the commercial fishing industry, about interim management arrangements which came into effect when the proclamations took effect. They provide the basis for then going on and developing the formal management plans for the reserves. To do the formal management plans we have got to go through two rounds of statutory consultation. I think that whole process will take us 12 to 18 months.

CHAIR: Last question, Senator.

Senator BOSWELL: You have been very generous and I cannot complain.
CHAIR: That is a change!

Senator BOSWELL: It will take 12 to 18 months for you to get your management plan in. What happens while there is no management plan? Can the fishermen still fish there until the management plan is proclaimed?

Mr Oxley: That is something that still has to be worked through, and I think that whenever any new arrangements are put in place you have to have an introductory period. To my way of thinking, that introductory period would mean the status quo would prevail while we worked up the detailed management arrangements. It is why we have a delay before the date of effect—so that we can work out what we are going to do from the day the proclamation takes effect and work that through.

Senator BOSWELL: So, as near as you can say, fishing will be allowed out there until the management plan is provided, which will take about 18 months?

Mr Oxley: That is pretty much what I have said.

CHAIR: Thank you, Mr Oxley. Mr Sullivan.

Mr Sullivan: Can I just take 20 seconds of the committee's time. Senator Birmingham, you asked before about a set of proposals that were in our answer to you in a question on notice. The reason that they are commercial-in-confidence is that under the stewardship program, I am informed, we do not release details of where that investment is specifically because of its ability to influence and distort the market in terms of using a market based instrument, which is the basis of the stewardship program. As for giving you details, the purpose of the grant is for environmental stewardship, but details about exactly where that property is are classified as commercial-in-confidence.

CHAIR: Thank you, Mr Sullivan. I thank officers from program 1.1. It has been a long session.

[17:03]

CHAIR: We will now go to program 1.2, environmental information and research. Senator Waters.

Senator WATERS: I just have one short question. It pertains to the Desert Uplands bioregion. Given that it is, to my knowledge, the least surveyed bioregion in Queensland for flora and fauna, yet it now faces huge threats from coal and gas mining with obvious biodiversity implications, what funding will be invested by SEWPaC to support some comprehensive baseline monitoring of biodiversity? Are you the right folks to answer that?

Mr Thompson: It is the right program area in which to ask it; whether I am the right person or not is another matter. The Desert Uplands bioregion—I think that is the reference—is not one I am familiar with. What I can undertake to do is check whether we are providing any funding to any of our National Environment Research Program hubs that might be doing some work in that area, noting though that, for the most part, the investments we are making in those NERP hubs are for research rather than for baseline monitoring or long-term monitoring. But, having said that, we may be allocating some money there.

Senator WATERS: Are there any other limbs of the organisation that are responsible for doing that baseline monitoring in any bioregion but particularly this one?
Mr Thompson: There may be some activity which has spun off from the National Plan for Environmental Information, which is a portfolio initiative delivered jointly by us and the Bureau of Meteorology, but primarily the Bureau of Meteorology. Again, I would note that there is a very small amount of funding for that initiative, which is meant to seed the development of a national approach to data, environmental data in particular. Then, beyond that, there may be some funding which is provided and which is a function of the National Critical Research Infrastructure Scheme, which is actually administered by the department of industry and innovation. They have been funding the Terrestrial Ecosystem Research Network and there may be some monitoring in that quarter as well. So what I am undertaking to do is a bit of a scan for you to find out whether there is anything in that area.

Senator WATERS: Thank you very much for that. Thank you, Chair; that is all I have got.

CHAIR: Senator Birmingham.

Senator BIRMINGHAM: That is quicker than I anticipated, but it is all good. Hello, Ms Petrachenko. Let us go to whaling, because that is right there. The minister, together with other ministers, issued a joint statement on 10 March noting that Japan had provided their written response to the whaling case in the ICJ at that stage and that it contained detailed arguments in response to Australia's memorial, as these things are called, which will now be carefully considered by the government, as the Attorney-General said in that part of the statement. Has this response been considered carefully by the government?

Ms Petrachenko: Yes, we have received what is called the countermemorial from Japan, and it is under active consideration by the Attorney-General's Department.

Senator BIRMINGHAM: Is the environment department involved in assisting A-G's with consideration and advice on the scientific and environmental aspects of it?

Ms Petrachenko: Yes, we are.

Senator BIRMINGHAM: The statement also indicates that, in the coming weeks, it expected that the International Court of Justice would have set a time line for the next steps to be taken in the case, including, potentially, a second round of submissions. Has the ICJ done so in the time since 10 March?

Ms Petrachenko: Yes, it has. There was a meeting held between the president and registrar of the court and the agent for each party in The Hague on 23 April. The court made its decision as to the next steps in the process, and it has decided that there will not be a second round of written pleadings. This means that the case will proceed to oral hearings, at a time to be determined by the court.

Senator BIRMINGHAM: So I assume—from Australia's perspective in terms of our desire to see the case heard as soon as possible—that is good news?

Ms Petrachenko: Yes, because if they had asked for further written pleadings that would have taken additional time. So this should shorten the process, but we are in the hands of the court in terms of setting its timetable.

Senator BIRMINGHAM: Yes, indeed—and, given that there was a 10-month delay between the government's memorial and Japan's countermemorial going in, obviously I
appreciate the delays that the written proceedings would have incurred. So you have no information about the timing, about when you expect those oral hearings to commence?

Ms Petrachenko: No, we do not know—not at this stage.

Senator BIRMINGHAM: I am sure, as we have assessed previously, that questions about costs in regards to the legal action in question are best directed to the Attorney-General's Department.

Ms Petrachenko: That is correct.

Senator BIRMINGHAM: Can I then go to some of the activities from the recent whaling season. There were suggestions towards the end of the season in February that there were incursions into Australia's waters by Japanese whalers. Is the department aware of those suggestions?

Ms Petrachenko: Yes, we are.

Senator BIRMINGHAM: What action is the government taking in regards to those suggestions to see whether they were valid or not?

Ms Petrachenko: I think you may recall that, at the time, there were a number of activities going on in the Southern Ocean between the Japanese so-called research whaling fleet and the Sea Shepherd that were causing both parties, from reports that we saw in the media, to wander all over the Southern Ocean. As a result, they kept coming close into the Australian Exclusive Economic Zone—for example, around Macquarie Island. Based on a number of incidents, if you will, numerous diplomatic overtures were made to Japan that it try to refrain from entering our territory.

Senator BIRMINGHAM: So some type of formal objection was lodged at various junctures, as those intrusions were duly noted?

Ms Petrachenko: That is correct.

Senator BIRMINGHAM: Is there any evidence of or do you have any indication of the number of times such intrusions occurred?

Ms Petrachenko: No, I do not.

Senator BIRMINGHAM: On the international policy front when it comes to whaling, where is the IWC to be held this year?

Ms Petrachenko: It will be held at the end of June and into July in Panama City, Panama, this year.

Senator BIRMINGHAM: Was Panama a willing host of this year's IWC?

Ms Petrachenko: Yes, they are very willing. They are a member of the Buenos Aires Group and they were quite keen to host the meeting in Panama.

Senator BIRMINGHAM: That is an improvement on last year, when the IWC was homeless, almost.

Ms Petrachenko: Yes.

Senator BIRMINGHAM: In terms of IWC activity of late, I recall seeing some suggestion recently of member states potentially re-engaging in the debate. Are there signs of increased activity from member states; and, if so, who looks like they want to get active again?
Ms Petrachenko: There have been no new members of the IWC since the last time I was before this committee. There have been some press reports in the lead-up to the annual meeting because of the agenda coming out. We have new rules of procedure, which is very good. That means that all potential resolutions for a decision by the commission must be sent to commissioners and be on the website 60 days before the meeting. So those resolutions have come out, and that could be why they are saying that it will be a very busy meeting. There are a number of resolutions. This year is an important year because, once every five years, new quotas for aboriginal subsistence whaling are determined by the commission. Quotas for Alaska, Russia, St Vincent and the Grenadines, and Greenland will all come up at this meeting. There are what is referred to as schedule amendments. They have come out, and for those to be approved you need to have a 75 per cent majority.

Senator BIRMINGHAM: What are those schedule amendments?

Ms Petrachenko: The schedule amendment is to retain the quotas in a five-year block but, potentially, move them to a six-year block for three of the four countries, leaving Greenland, which I will come to in a moment. The reason why it potentially will move to a six-year block is that at the same meeting the commission will determine whether we should move from annual meetings to biennial meetings; if we move to biennial meetings then the quotas have to change from a five-year period to a six-year period.

Greenland have put in a resolution looking for an increase in their take of humpback whales, and that will be a separate decision of the commission.

Senator BIRMINGHAM: Will Australia support the move to biennial meetings?

Ms Petrachenko: I am the chair of the IWC Finance and Administration Committee, so I have been working quite hard with all commissioners on everything that needs to be done for us to move to biennial meetings. As you know, the scientific committee meets every year. The proposal is for the scientific committee to continue to meet, but the full commission would only meet every two years. That has raised a number of questions from commissioners as what happens with the conservation committee. The work of the conservation committee, from Australia's perspective, is very important, so should that meet annually as well? The proposal as it stands before the finance and administration committee is that, if there were meetings of other subsidiary bodies, such as the conservation committee, then those meetings would not be paid for by the commission; they would have to be paid by host governments. So that is quite a sticking point and it will be up for negotiation at the upcoming meeting. We think biennial meetings are important, but we do not want to see them dilute work on important conservation initiatives.

Senator BIRMINGHAM: The end result, if the push for biennial meetings is unsuccessful, is that everybody will still end up meeting annually at even greater cost to all of the participants.

Ms Petrachenko: The other parts that we are looking at, as part of the finance and administration committee, are cost saving measures: how we can run the meetings more efficiently, with more paperless meetings and more modern meeting techniques than the IWC has used to date. If we move to biennial meetings, we need to change the governance structure slightly because most international conventions have a bureau or some type of body that can
make decisions intersessionally. We do not have that, so we would have to form a bureau. That will be another decision that has to be taken.

Senator BIRMINGHAM: In summary, what are the quota changes for Greenland and the other indigenous subsistence countries? Are they up or down?

Ms Petrachenko: I will just double-check on Greenland. For Russia, America and St Vincent and the Grenadines they are the same, so there is no change there. I think Greenland is looking to increase its quota by nine or 10 whales, but I would have to take that one on notice.

Senator BIRMINGHAM: Notwithstanding the debate about whether it is five years or six years, Australia is supporting all of those quotas?

Ms Petrachenko: We have some concerns with Greenland. We raised them two years ago when they asked for an increase. They did that because there was interim scientific advice, which is why it was not in a five-year block. We raised concerns, as did a number of other countries—but mostly the Buenos Aires Group and us—because the way that aboriginal subsistence quotas are determined is based on a needs statement, and the number of whales is determined differently for Greenland than it is for the other three. Greenland’s is based on tonnage, and the conversion factor is different. Their needs statement has not been updated since the early nineties. As part of the decision a few years ago to continue with their quota, Greenland undertook to do work on improving the conversion factor through the scientific committee, so we will not know until we see the deliberations of the scientific committee this year whether the concerns that we expressed two years ago have been met.

Greenland were looking for an increase in the strike limit for humpback whales from nine to 10 and an increase in the strike limit for fin whales from 16 to 19. It is phrased in terms of strike limits because quite often in aboriginal subsistence whaling the whales are struck and lost. They strike them and kill them but they do not recover them, so it is based on strike limits.

Senator BIRMINGHAM: In terms of Japanese activities this year, what are the estimates of the final whale take by the Japanese?

Ms Petrachenko: My understanding is from only non-official records at this point. Japan has not yet lodged its official numbers with the IWC secretariat, but my understanding is that it would have taken 266 minke whales and one fin whale.

Senator BIRMINGHAM: How does that compare with the take in previous years?

Ms Petrachenko: It is up from last year. I think they had 171 minke whales last year, so it is a slight increase on last year. But we need to recall that their self-allocated quota is 850 minke whales.

Senator BIRMINGHAM: The previous year had been a particular low, if my recollection is correct?

Ms Petrachenko: That is correct.

Senator BIRMINGHAM: I think we have covered this previously, but, in terms of the research that Australia has funded and is doing into whaling, whaling stocks, whaling behaviour and so on, are we getting to a point where we will have more accurate and updated estimates on minke whale populations?
Ms Petrachenko: In our preparations for the scientific committee meeting this year, our scientists are hopeful that we will get a final population estimate for Southern Ocean minke whales. That is still subject to the deliberations of the scientific committee in Panama, but the work has been undertaken. It now needs to be discussed and debated amongst the various scientists.

Senator BIRMINGHAM: Will this be the first update to those population numbers in quite a long period of time?

Ms Petrachenko: Yes, for a very long period of time.

Senator BIRMINGHAM: Decades?

Ms Petrachenko: Yes.

Senator BIRMINGHAM: Are there benchmarks that Australia looks at that influence our understanding of the sustainability of that population? When we hear a figure as to what the population may be, what is the benchmark for a good, healthy, sustainable population versus a worryingly endangered population?

Ms Petrachenko: The benchmarks that are used are pre-harvest levels. That is the benchmark that we look at from an Australian perspective. Other countries obviously take a different perspective. Some countries, in fact, use fishery calculations based on maximum sustainable yield, which we do not think is appropriate. If we look at pre-exploitation estimates, then we would look at the level of the population in relation to what the pre-existing level of the population was and see how far we still have to recover the whale populations.

Senator BIRMINGHAM: I can understand the philosophical difference there, but perhaps you can just explain so it is on the record. Why is it that, essentially, we are using as a benchmark of endangerment the whale population level prior to any form of exploitation and without any sense of commercial take, as against what many people would define as endangered? Obviously, sustainable fishery practices would cover that endangered question as against the natural population question.

Ms Petrachenko: There are a couple of aspects to the question. One is that we do not believe that whales should be commercially harvested.

Senator BIRMINGHAM: That is the philosophical.

Ms Petrachenko: That is right. Therefore, why use techniques that are based on a different type of species, which are fish? We are talking about marine mammals that live long, have different levels of fecundity and so on. It is not appropriate if you are trying to recover populations which have been severely depleted. We know, for example, that blue whales are still at approximately two per cent of pre-exploitation levels. We believe our efforts should be put into recovering whale populations, due to how they were decimated from commercial whaling. We also believe that whales are now under threat from sources other than just commercial whaling. We know that there are increased levels of contaminants in whales around the world. We know that whales are being affected in their migration routes by climate change. The level of ship strikes is on the increase worldwide. Human induced threats to whales are still significant, and they have to be factored into the conservation management plans and recovery plans. In fact, as an example, we are working through the
conservation committee on the development of a conservation plan for southern right whales, which are considered to be at extremely low levels in South America.

The whole question of 'endangered or not' is not terminology that the IWC uses. That terminology is usually from the IUCN and other bodies. We have that idea about whales—to try to recover them to healthy population levels, recognising that there are still threats to their survival.

Senator BIRMINGHAM: I understand that the IWC Scientific Committee is trying to update this, but what is Australia's best understanding at this point in time of the pre-exploitation levels and percentages of minke whales?

Ms Petrachenko: I am going to have to take that on notice to make sure I do not misrepresent the views of the scientists. I will take it on notice and get you the exact answer.

Senator BIRMINGHAM: That is it for me on whaling, unless anybody else has questions.

Ms Petrachenko: I need to address a question that you asked earlier in the day about travel.

Senator BIRMINGHAM: Yes.

Ms Petrachenko: You asked a question this morning concerning a question on notice, which I have here. On page 5 it says 'Marine taskforce' and then $58,411. Those are trips that I undertook to Rio de Janeiro in August of last year. I need to add that one of my responsibilities is that I am the lead negotiator for the department for the Rio+20 process, so these are preparatory meetings for the Rio+20 process. There was a trip to Rio de Janeiro in August for informal consultations hosted by the host country, Brazil. There was a high-level symposium on the United Nations Conference on Sustainable Development in Beijing, China, in September, and then three separate meetings at the end of November: a high-level expert meeting on sustainable use of the oceans held in Monaco, an IUCN workshop on oceans held in Bonn and a second intersessional meeting for the Rio+20 negotiating process in New York at the United Nations.

Senator BIRMINGHAM: That will now do me on whaling. I will go to the State of the environment report. This report is produced annually?

Mr Thompson: No. The State of the environment report is a requirement under the Environment Protection and Biodiversity Conservation Act. It is produced every five years.

Senator Conroy: So that must have been an act passed a long time ago?

Mr Thompson: It was.

Senator Conroy: How long has this law been in place?

Mr Thompson: Since 1999. There have been a number of State of the environment reports.

Senator Conroy: So it was a Howard government initiative?

Mr Thompson: Correct. The act was, yes.

Senator BIRMINGHAM: Do you want to keep asking the questions, Minister?

Senator Conroy: Sorry, I wanted to get the facts on the table. I was worried you were confused there.
CHAIR: Senator Birmingham, my advice is: do not engage. He has been quite calm; let's keep it that way until six o'clock.

Senator BIRMINGHAM: I am not sure that he has gotten through all of those briefs yet, so if he is looking for something to do—

Senator Conroy: I am trying to get the wireless in this room to work. I am really struggling.

Senator BIRMINGHAM: Mine seems to be going all right today. It crashed yesterday. The report comes out every five years; we have established that. Obviously, it is a big project. What was the budget for its production last year, or this year, whenever it was exactly released?

Mr McNee: The government invested approximately $2 million in the production of the SoE report for 2011.

Senator BIRMINGHAM: When was it released?

Mr Thompson: It was released in December 2011. I will just clarify, too, that the budget amount that Mr McNee referred to was not expenditure in the last year only; it was expenditure over a number of years. It takes a number of years to prepare the report.

Senator BIRMINGHAM: I appreciate that. How many copies of the report are printed in the end?

Mr McNee: In 2011, there were—

Mr Thompson: 3,500 full reports, and for the in-brief summary report there was a print run of 10,000.

Senator BIRMINGHAM: What is the total cost of producing the full report?

Mr Thompson: This is the print costs?

Senator BIRMINGHAM: The print costs, yes.

Mr McNee: The production—the editing, design and printing—was $493,539 and, of that, $164,242 was printing of the report and the in-brief.

Mr Thompson: That was for printing of the full report and the in-brief.

Senator BIRMINGHAM: And the summary?

Mr Thompson: That is right, and the summary.

Senator BIRMINGHAM: Where, to whom, and how was the full report distributed?

Mr Richardson: There were obviously copies for tabling, and that was the reason why we needed to print copies of the full report. The majority of the reports that have been provided to date have been provided to academic institutions, libraries. They are available on request but they obviously have to last us for five years until the next report is printed, so we have been careful about how many have been let out the door.

Senator BIRMINGHAM: How many have been let out the door?

Mr McNee: I am not sure we have the numbers for that at this stage. We will have to take it on notice.

Senator BIRMINGHAM: The reverse is: how big is the pile still sitting in the corner of your office?
Mr Richardson: It is not in our office; it is quite a large pile.

Senator BIRMINGHAM: I am not surprised it is a large pile. I brought my copy with me.

Mr McNee: I do have some information on that. Around 1,000 copies of the full report have been distributed at the moment and about 2,500 copies of the in-brief version so far.

CHAIR: Did you read that last night, Senator Birmingham?

Senator BIRMINGHAM: As they say, it was produced in December 2011 and maybe I am a slow reader, but it is quite possible that I am still going! I am sure it is bigger than the Sydney yellow pages. Was an internal discussion had as to whether it was necessary to print this? It is a lovely piece of work; I cannot criticise the presentation, the style or the contents, such as I have referenced it. Obviously it is more of a reference thing than a 'sit down and read it' thing. It is quite a tome, as well.

Mr Thompson: It is a substantial piece of work, and yes there was an internal discussion about the publishing, how it would be published and the form in which it would be published. As Mr McNee indicated, on balance, the judgment was made that we did need to print some copies in order to table them, to meet the requirements of the EPBC Act, but also that it would be a good way of really propagating the document to those academic institutions and making it available. It is an independent piece of work as well, noting the role of the independent State of the Environment Committee. The department wants to take that work and make it available to as many people as possible and make the most of it.

Senator BIRMINGHAM: I realise it has to last five years, but equally I would be assuming that your demand peaks at its point of release. Having distributed 1,000 copies, that means there are 2,500 or thereabouts, perhaps a few less depending on what has gone out recently, but that seems to me to be a lot that are still left over after your initial distribution run. Is there a concern that you have overshot the mark in producing the report?

Mr Richardson: I understand the point that you are making. Our experience from previous reports is that they did tend to go out the door for the entire period. We have found in the past that, as institutions and individuals become aware of its existence, have a look at it on the website—it is available on the website as well, of course—or look at the in-brief, as Mr Thompson mentioned, there have been requests for copies of that report going through the entirety of the five years before the next report is produced. But I cannot really say whether we are going to have any left over in 4½ years time.

Mr McNee: I think we can say there is still a very strong interest in the website. The website is still getting around 200 independent people hitting it every day. I would not be surprised if we were getting ongoing requests for the full documentation.

Senator BIRMINGHAM: Did you have many of the 2006 report left?

Mr Richardson: The 2006 report was quite a small report. We do still have some copies of that left, and I will have to take on notice the print run. I am pretty certain it was quite a lot larger. There was not an in-brief and a full report; it was just a full report. But it was quite a lot smaller than the full report this year.

Mr Thompson: The scale of the report has varied over the years. I know that the 1996 report was a fairly large document as well. As I recall it, the 2001 one was, too.
Senator BIRMINGHAM: Was there a reason for the significant difference in style and size?

Mr Thompson: In part, it is a function of the independent committee’s decisions around the way in which they want to see the report presented.

Senator BIRMINGHAM: Thank you, Mr Thompson, and gentlemen. Well done on the very extensive report that it is. I will just ask a few quick questions about the Cumberland Plain project.

Mr Thompson: Would that be the Cumberland Plain Woodland election commitment?

Senator BIRMINGHAM: Yes. I will let you flesh it out for me.

Mr Thompson: I will grab the brief. Would you like an update?

Senator BIRMINGHAM: Yes, please.

Mr Thompson: Work is continuing on delivering the election commitment. The initiative is designed to connect important bushland and protect the vital ecological communities of Sydney’s Cumberland Plain. As you might know, there is not much remaining of that particular ecological community. We are continuing to work with various stakeholders, including the New South Wales government, to identify projects that strongly meet the objectives of the election commitment. The potential land purchase and landcare projects under that initiative, that election commitment, are currently being evaluated and the details of the land purchase elements or potential projects are commercial-in-confidence. There was a property acquisition mentioned at the supplementary budget estimates in October last year, but unfortunately that was not able to proceed as the property was withdrawn from the market.

In essence we are still working through various projects and providing advice to the minister on how that commitment can be met. I do not have the details here, but I would note that there were some projects announced under round 1 of the Biodiversity Fund which were in the Cumberland Plain district and which are relevant to that.

Senator BIRMINGHAM: So have any land parcels actually been purchased as yet?

Mr Thompson: As I understand it, no. No parcels of land have been purchased at this stage.

Senator BIRMINGHAM: How much of the $2.65 million for the current budget year has actually been expended?

Mr Thompson: The advice I have in terms of money which has gone out the door is that no money has gone out the door at this stage. There are some active projects under consideration which would see some of that funding committed in this financial year.

Senator BIRMINGHAM: So, in that sense, are they active projects that would acquire land or simply projects that will protect or restore the biodiversity by some other means?

Mr Thompson: Unfortunately, I cannot go into too much detail because there have not been announcements by the government at this stage. But, as you point out, there are two streams of funding; one is for land acquisition and property acquisition, and the other is for landcare projects.
Senator BIRMINGHAM: Presumably the department is confident that it is going to deliver on the spending this year? Given the amount of money the government dragged ahead from the forward estimates into this year, I am not sure they are terribly keen to let departments carry over into next year.

Mr Thompson: No, that is correct. Certainly, I am confident of the election commitment amount over two years.

Senator BIRMINGHAM: I will put some more questions on notice.

Proceedings suspended from 17:42 to 19:03

CHAIR: I now call officers from the department in relation to program 1.3, Carbon pollution reduction land sector initiatives.

Senator BIRMINGHAM: We will go straight to the Biodiversity Fund as the big-ticket item in this section. The Biodiversity Fund is overseen by, or at least decisions around it are recommendations made by, the land sector carbon board. Is that correct?

Ms Lane: That is correct.

Senator BIRMINGHAM: The land sector carbon board was announced on 28 November last year. How many times has it met?

Ms Lane: The board has met twice since November and will have its third meeting next week.

Senator BIRMINGHAM: What do board members get paid? Are they on a per meeting fee—what is the arrangement for the board members?

Ms Lane: They get paid a sitting fee.

Senator BIRMINGHAM: They are just on a sitting fee basis?

Ms Lane: That is right.

Senator BIRMINGHAM: Including the chair, Mr Debus?

Ms Lane: Mr Debus does get a payment for his work for the corridors advisory group and the Land Sector Carbon and Biodiversity Board for a set number of days per month for those two roles.

Senator BIRMINGHAM: What is the set number of days that Mr Debus is compensated for across those two roles?

Ms Lane: I do not have those details with me. I am happy to take it on notice but I think it is in the order of four to five days per month, from memory.

Senator BIRMINGHAM: And do you have the rate that he is paid for those four to five days?

Ms Lane: I do not have those details. I am happy to take that on notice.

Senator BIRMINGHAM: Thank you. And as well, I assume, the per diem for the other four members of the board. When were applications invited for the Biodiversity Fund?

Ms Lane: Applications were called just prior to Christmas—I think around 9 December—and closed on 31 January.

Senator BIRMINGHAM: That is a relatively quick period of time. When were the two meetings since November of the land sector carbon board?
Ms Lane: From memory, the first meeting was on 28 November, the day we announced the composition of the board. I do not have the exact date of the second meeting with me but it would have been early March.

Senator BIRMINGHAM: At the 28 November meeting was the board presented with terms of reference or a timeline for the application of the Biodiversity Fund? What happened at that meeting, and how did we get from 28 November to applications opening on 9 December?

Ms Lane: At the 28 November meeting the board was obviously presented with information about the suite of programs it would have responsibility to provide advice on. At that meeting the board also provided advice on the guidelines for the Biodiversity Fund prior to that call. And it also obviously agreed procedures and terms of reference for the operation of the board.

Senator BIRMINGHAM: So the guidelines had already been drafted before 28 November and were presented to and approved by the board at that meeting?

Ms Lane: That is correct.

Senator BIRMINGHAM: Did the board suggest any changes to the guidelines?

Ms Lane: The board did make some suggested amendments, yes.

Senator BIRMINGHAM: And were those changes adopted?

Ms Lane: They were.

Senator BIRMINGHAM: Applications opened on 9 December and closed on 31 January for the Biodiversity Fund. How many applications were received?

Ms Lane: There were 1,530 applications.

Senator BIRMINGHAM: This was purely for grants to be made in this financial year—or do the grants run across multiple financial years?

Ms Lane: The guidelines allow for projects to be run over multiple years—up to six years.

Senator BIRMINGHAM: I think that this is described as the first round. Is it intended that funding rounds will occur annually? How is that expected to be undertaken?

Ms Lane: The intention is that there will be a round run annually, yes.

Senator BIRMINGHAM: What were the budgetary or expenditure guidelines for this first round in terms of how much could be committed and spent in total, as well as across each of the financial years?

Mr Sullivan: In part that was driven by the budget profile for the Biodiversity Fund, which is relatively flat in the first two years. From memory there is around $30 million per annum across the first two years and that rises substantially in the third year. So constraints on funding in the first round were the profile of applications received and the amount of money available in those early years.

Senator BIRMINGHAM: That puts it in context, Mr Sullivan. Is that the answer to the question? When you decided that you would open applications on 9 December for the first funding round—one assumes that all $31,304,000 in this financial year was up for grabs. Correct me if I am wrong on that. Were there guidelines as to how much would be up for grabs in the subsequent five years for projects that could run up to six years?
Ms Lane: No, the guidelines did not set caps for each year. However, the guidelines did indicate that proponents seeking to request amounts of money above $500,000 per year should speak with the department about proposals of that size—to provide some guidance to proponents about expectations around the amount of money available across the profile for the program.

Senator BIRMINGHAM: So it was essentially going to be up to the department in your assessment of the applications and the board in their assessment of the applications to say, ‘Does this commit too much of the funds in years two, three or four if we undertake or commit to all of these projects at this point in time’?

Ms Lane: We certainly had regard to the profile of the program in coming to those decisions, yes.

Senator BIRMINGHAM: Applications closed on 31 January and you received 1,530 applications. What was the assessment process of those applications from there?

Ms Lane: An assessment process was developed in consultation with the Land Sector Carbon and Biodiversity Board and also in consultation with an external probity adviser. All projects were assessed by two assessors—one departmental assessor and one community assessor. The community assessors were selected from a register of assessors that was established through an open call process for assessing programs across both SEWPaC and DAFF. The 1,530 proposals were assessed against the selection criteria as articulated in the guidelines—those being alignment with the Biodiversity Fund themes, ongoing management of the project, value for money and capacity. An independently chaired moderation group then considered those applications considered by assessors to be of highest quality. That moderation group considered any large variations between assessors in their assessment of those proposals. They also had regard to the geographic spread of projects, the types of projects covered, the themes represented, Indigenous projects and also, as I mentioned, the funding profile for the program. A probity adviser was present during those deliberations. The moderation group then provided recommendations to the Land Sector Carbon and Biodiversity Board, which firstly assured itself that the process that delivered those outcomes had been conducted fairly and transparently. The board also considered whether the process had delivered the right mix of types of projects, the right spread across themes, an adequate representation from Indigenous groups, both small and large projects—and provided advice to the minister.

Senator BIRMINGHAM: Let us just step back through this process if we can. All of the 1,530 applications, you say, were assessed by one departmental adviser and one community assessor. When did that period of assessments take place subsequent to applications closing on 31 January?

Ms Lane: From memory, that assessment process happened over a period of two or three weeks in February.

Senator BIRMINGHAM: That obviously weeded out those of the highest value, as you put it, and they were then assessed by the independent moderation group. How many applications went to the independent moderation group?

Ms Lane: From memory, it would have been something very close to the 320-odd projects that were announced for funding. There was a two-stage process for that moderation group.
They firstly looked at proposals that had been rated over a score of eight by assessors. And they looked at applications where assessors had varied in their scoring for those proposals by greater than 30 per cent. So it was sort of a normalisation process, if you like, to make sure that the average score for the two assessors reflected the relative merits of the proposal. Then the moderation group looked at essentially the highest quality applications that came through the 1,500—looking down 80 per cent of the highest quality proposals, looking at the spread of those applications across various categories and then allocating the remainder of the funds to ensure a reasonable mix across those categories.

Senator BIRMINGHAM: You talk about that two-stage process. You go through the score of eight and the other metrics involved there. Did that still basically mean roughly 320 applications considered, or was something bigger than that given the first overall look to compare the relative scores and those other metrics before they actually looked at the recommendations from that first assessment process?

Ms Lane: I would have to take it on notice to give you an accurate answer on that. Because there were two stages in that process there may well have been some applications in the normalisation step that were not then considered in the highest quality group. I will take that on notice and get details to you about the exact number of applications that were considered in that process.

Senator BIRMINGHAM: Okay. Who was on the independent moderation group?

Ms Lane: The moderation group was chaired by an independent community representative and also had three of the community assessors that were recruited for the assessment process, plus me and the first assistant secretary of the Land Sector Taskforce. And the probity adviser observed the deliberations for the two days of that moderation group.

Senator BIRMINGHAM: So that independent moderation group met for two days?

Ms Lane: That is right—or 1½ days, I think, from memory.

Senator BIRMINGHAM: When were those meetings conducted?

Ms Lane: I think it was the first week in March.

Senator BIRMINGHAM: That is a remarkable workload for that independent moderation group—to have assessed more than 320 applications, taken two different approaches to assessing them and doing it all in just 1½ days.

Ms Lane: It was a very busy 1½ days, yes.

Senator BIRMINGHAM: I am sure it was a very busy 1½ days. Did that independent moderation group reject any of the recommendations of the first assessment stage?

Ms Lane: I would have to take that on notice. The first step, which was the normalisation step, involved the panel making some determinations around what the scores should be for those applications where the scores of the two assessors varied by greater than 30 per cent. There were, I think, a dozen applications on which the moderation group determined whether the higher or lower score was the score that reflected the merit of the proposal. In considering the top suite of high-quality projects—I cannot recall what particular judgements were made about particular proposals. I am happy to take that on notice and come back to you with advice on that.
Senator BIRMINGHAM: If you could—and in particular if any were knocked out. But if there were, obviously—as you say, it was about the same number that they considered—it was not many.

Ms Lane: I will take that on notice.

Senator BIRMINGHAM: But from your recollection, Ms Lane, if there were any knocked out it was not a substantial number?

Ms Lane: No, that is right.

Senator BIRMINGHAM: From the first week in March, after the 1½ days of consideration, it then went to the land sector carbon board?

Ms Lane: That is right.

Senator BIRMINGHAM: That went to their meeting that, on your recollection, was held in early March?

Ms Lane: In March, yes. I cannot recall the exact date but I think it was in March. It was very shortly after the moderation group process.

Senator BIRMINGHAM: Can you tell me how many applications were recommended to the land sector carbon board?

Ms Lane: Again, I do not have the details with me, but I think the number of recommended projects that went to the Land Sector Carbon and Biodiversity Board was 318. The minister announced 317 because a project withdrew, having obtained funding elsewhere.

Senator BIRMINGHAM: A project withdrew and—

Ms Lane: Because it had managed to obtain funding from other sources.

Senator BIRMINGHAM: Okay. So 318 went to the board, and the board approved all of those 318?

Ms Lane: The board considered the 318 projects—whether they represented the right mix of project types, the right geographic spread and all of those things that I articulated earlier—and then provided its advice to the minister.

Senator BIRMINGHAM: And that advice to the minister was that the 318 projects that had been presented to the board should be funded—is that correct?

Ms Lane: The board did provide advice to the minister that 318 projects were suitable for funding, yes.

Senator BIRMINGHAM: That presumably went to the minister relatively quickly after the early March meeting of the board. And the minister, we know from your earlier evidence, approved in the end 317 projects, because one of them had been funded from elsewhere.

Ms Lane: The minister actually approved 318 projects but a project was subsequently withdrawn.

Senator BIRMINGHAM: Okay—before the announcement was made. Do you know when the ministerial approval was given?

Ms Lane: I do not have those details with me. I am happy to take it on notice.

Senator BIRMINGHAM: The minister announced the projects on 4 May 2012. Was there much of a delay between approval and announcement?
Ms Lane: No, Senator.

Senator BIRMINGHAM: So from a mid-March meeting of the board and information being given to the minister sometime in the last half of March—probably relatively quickly, given that the department had obviously been fairly efficient in moving through all of these earlier stages—the minister presumably made his approval sometime in mid to late April, ahead of the announcement, if there was not much delay.

Ms Lane: That sounds about right, Senator.

Mr Sullivan: That is part of the answers to the questions that we have taken on notice, Senator. We will confirm the date of that advice. I recall that it was a very large brief with a lot of information in it. We will need to check to make sure of the dates.

Senator BIRMINGHAM: Thank you. Out of interest—because it is a matter we discussed earlier today—did any of the projects affect or operate in the minister’s electorate?

Ms Lane: There were no specific projects within the minister’s electorate but there was one project potentially operating across the minister’s electorate.

Mr Thompson: It is worth noting, Senator, that that was a project which involved the Sydney Catchment Management Authority, so it covers a number of—over 20 electorates in Sydney.

Senator BIRMINGHAM: Sure. So 317 projects were announced on 4 May 2012. Can we please go through state by state, if you have the data there, the number of projects for each state and the total value of the projects approved?

Ms Lane: Western Australia has 23 projects—approximately $34.4 million. Victoria has 40 projects—$32.4 million. Tasmania has 14—$7.1 million. South Australia has 50 projects—$46.8 million. Queensland has 54 projects—$43.2 million. The Northern Territory has 16—$11.6 million. New South Wales has 119 projects—$95 million. The ACT has one project—$282,000.

Senator JOYCE: Whereabouts?

Ms Lane: I do not have the details with me but it is one of the ACT state agencies.

Senator BIRMINGHAM: What is the total value of the 317 approved projects?

Ms Lane: It is $271 million.

Senator BIRMINGHAM: How does that spread across the forward estimates of the six years?

Ms Lane: Approximately $31.1 million in 2011-12.

Senator BIRMINGHAM: And in 2012-13?

Ms Lane: In 2012-13 it is $21.8 million, in 2013-14 it is $100.6 million, in 2014-15 it is $48.2 million, in 2015-16 it is $37.6 million and in 2016-17 it is $31.5 million.

Senator BIRMINGHAM: Thanks, Ms Lane. This really was a picture of remarkable efficiency to get to this point of having committed to $271 million in grant funding from go to whoa in such a remarkably fast period of time, with applications closing on 31 January and decisions basically being settled by early March or mid-March. Was the department comfortable in proceeding at such a rapid pace to commit such a huge amount of taxpayer funds in this grant program?
Mr Sullivan: In terms of the process, we drew on a range of expertise that already existed within the Caring for our Country teams and the teams that support the Caring for our Country administration. The list of community assessors came out of an open call process covering the open call rounds. For the department based assessors—and we are talking about the workload of looking at 1,500 projects over a short period of time—again we used the significant resources that were inside the teams in my division to help with that assessment process. That was not new to them in terms of looking at these types of assessment processes. The processes that we then used—a moderation panel and then looking at advice that comes from assessors and the normalisation process that Ms Lane has spoken about—were well-established processes within the Caring for our Country—

Senator BIRMINGHAM: Sure, Mr Sullivan, but this is a brand new fund, a brand new project, and in just 40-odd days you approved $271 million worth of spending.

Senator Conroy: What is the question, Senator Birmingham?

Senator BIRMINGHAM: I am looking to Mr Sullivan or other officials as to how the department was possibly comfortable with a rate of spending of $271 million committed over six years, locked in and committed to with just 40-odd days from applications closing to the department providing a recommendation to the minister that was accepted in its entirety.

Senator Conroy: It sounds like a very thorough process that you have had explained already to you, Senator Birmingham.

Senator BIRMINGHAM: I know, Minister, that you are an expert at spending at a great rate of knots, and we will establish that over the next couple of days.

CHAIR: Senator Birmingham, you should ask questions. I am just about to wind you up.

Senator Conroy: What is your question?

Senator BIRMINGHAM: Why was it necessary to push so much money out the door so quickly under this new Biodiversity Fund?

Mr Sullivan: The guidelines that Ms Lane talked about were quite clear in terms of providing funding for up to six years. In terms of that provision of funding, I think 126 out of the 317 have six-year funding profiles. Again, the 40 days—I am not sure where that comes from. This is a process of guidelines being developed and approved, being advertised, working with some proponents over that period of time through the application process—as was suggested in the guidelines—and then going through the assessment process from 31 January onwards. We had a clear mandate to make sure that we have the highest quality projects. And there were high-quality projects out of the 1,500.

Senator BIRMINGHAM: The 40 days is very clear, Mr Sullivan. You closed applications on 31 January. Sometime in early March the successful applicants were finalised. You whittled 1,530 applications down to 318 successful ones. Yes, the $271 million might be being spent over six years but its spending was approved in 40-odd days. That seems quite remarkable to me.

Senator Conroy: That is an opinion, Senator Birmingham. You have been given an answer about the facts. Would you like to ask another question, other than expressing your opinion continually?
CHAIR: Senator Conroy, Senator Birmingham has had a good go on this. We are now moving to Senator Waters.

Senator BIRMINGHAM: Chair, there is usually the opportunity of—‘You’ve got one more question left.’

CHAIR: I did advise you—

Senator Conroy: You are making a speech.

Senator BIRMINGHAM: And you are just continually interjecting.

CHAIR: Order!

Senator BIRMINGHAM: You have nothing to value add—

CHAIR: Senator Birmingham!

Senator Conroy: Paging Christian Kerr—Senator Birmingham has his serious face on. Christian, please come to the room.

Senator BIRMINGHAM: Are we going to have to put up with this for the next couple of days? Everything was peaceful until this guy arrived.

CHAIR: Order! Senator Waters has the call.

Senator WATERS: I understand that there was a report compiled by the external probity manager who was engaged to run the assessment of the applications. Can a copy of that report be tabled, please?

Ms Lane: I will have to take that on notice.

Senator WATERS: A lot of the Biodiversity Fund projects have been granted to groups and businesses for revegetation and yet, of course, most of the tenure in Australia is not protected from, say, resource extraction, with the unfortunately limited example of national parks under some state laws. So there is clearly a risk that some revegetation efforts that are funded under the Biodiversity Fund could be literally undermined by open-cut coal mines and so forth. Did that risk factor into the assessment of the applications at all?

Ms Lane: One of the criteria articulated in the guidelines was the ability or willingness of proponents to commit to ongoing management of the project. While the guidelines did not preference particular arrangements for doing that, the criteria certainly favoured those applications that had made commitments to covenant pieces of land—put in place conservation agreements, for example—and where proponents have made those commitments they have been carried across into the funding agreement with proponents.

Senator WATERS: I am pleased to hear that you are encouraging covenanting but obviously that is no protection from mining either. Has the department taken any steps to try to protect those Biodiversity Fund projects from ending up as mines—with the respective state governments, or directly with industry for that matter?

Mr Sullivan: This is similar to where we were well before the dinner break.

Senator WATERS: Yes, it is an issue I will continue to raise—I forewarn you.

Mr Sullivan: As Ms Lane is talking about, in the assessment of the application processes, higher weight was given to those proposals that had more certainty around the management arrangements. Did every one of these need a covenant that would exclude mining? No, that is not built into—
Senator WATERS: Covenants cannot exclude mining. That is my point, Mr Sullivan.

Mr Sullivan: True.

Senator WATERS: I am interested in whether—

CHAIR: Senator Waters, you have limited time. If you would let Mr Sullivan answer the question you might do okay.

Senator WATERS: I would like him to.

Mr Sullivan: The best we can do is follow up the proposals with contractual arrangements so that the contracts are geared toward the commitments we have made in terms of the long-term management arrangements that were put forward in the proposal.

Senator WATERS: So the department has not taken any steps to try to protect the projects from being mined through approaches either to state government or directly to industry?

Mr Sullivan: No.

Senator WATERS: Has the department tracked over time, or will the department track over time now that we have the Biodiversity Fund on foot, whether those revegetation programs funded are still standing in five, 10 or 15 years? I guess there are two parts to my question. One is whether, historically, you have tracked other revegetation projects that your section has administered. And will you now track projects that are funded under this Biodiversity Fund, again over time, to see whether they are still there in years to come?

Mr Sullivan: It is actually a really good question, because we have had various approaches to monitoring and reporting through since NHT 1 days. The investment portfolio and what the status of those investments is now is something we are turning our minds to more, particularly in terms of the issue of what the monitoring and reporting requirements are going to be for Caring for our Country into the future and also with respect to the Biodiversity Fund. So, yes, it is clearly in our thinking of how we look at this, not just in the short term in an acquittal process or in terms of monitoring in a MERI context but also in the longer term—what is the investment return over the longer term? I know that some work has been done on that through the State of the Environment processes and other components of previous funding profiles but we have found that it is difficult to track previous investments from NHT 1. I think, again, there are lessons to be learned to make sure that those who sit in the seat in 10 years time are not saying the same things about the investments that we are making today.

Senator WATERS: Could you take on notice why you found it difficult to track the NHT 1 outcomes? I do not need a response now. I have one further question. I am interested in what proportion of applications made in Queensland were made by Indigenous groups or Indigenous corporations—if you have those figures to hand.

Ms Lane: Applications, Senator, or recommended—

Senator WATERS: Both—applications and then actual approved projects.

Ms Lane: I thought I had those statistics on Indigenous projects and applications for each state but I will have to take that on notice. I have just about every other applicant type but Indigenous with me.

Senator WATERS: Were there any limits on how much one body received? I have noted that the Balkanu corporation ended up with $5.6 million, which seems to be, on my very
rudimentary calculations, more than a third of the funding that was handed out to what I can
gather are Indigenous applicants who were successful.

Ms Lane: No, Senator. As I mentioned, the guidelines did ask proponents to discuss
applications with us that were proposing funds in excess of half a million a year over the six-
year period. From memory, the Balkanu proposals were around $2.5 million—there were two
successful projects at around $2.5 million each. I cannot recall if they were over six-year
periods but they would be around half a million a year.

Senator WATERS: Are you saying that because they fell just under that trigger they did
not need to discuss with you? I am not following you there.

Ms Lane: If they were over a six-year period then they would have been within that
threshold, so they may well not have discussed those applications with us—anything over $3
million over a six-year period.

Senator WATERS: There was only one over $3 million that was granted. How were they
treated differently? I am not across that.

Ms Lane: They were not treated differently in the assessment process, other than that
applications asking for a lot of money obviously needed to make a good case for it. But what
we suggested in the guidelines was that proponents requesting amounts of money in excess of
half a million a year should discuss their bids with us in advance.

Senator WATERS: And those thresholds did not apply if the one entity was seeking
multiple grants which separately did not trigger the threshold but cumulatively did?

Ms Lane: Per project.

Senator EDWARDS: Can I take you to the Carbon Farming Initiative, and more
particularly page 24 of the handbook which goes to the Regional Natural Resources
Management Planning for Climate Change Fund. There is $44 million allocated for two
streams of funding over five years. Can you give me both streams’ funding for those five
years?

Ms Lane: I can talk a bit about the stream that this department is responsible for.

Senator EDWARDS: Can you talk to me about stream two?

Ms Lane: No, I am afraid I cannot. That stream is being managed by the department of
climate change.

Senator EDWARDS: I thought that would be the answer. So stream one?

Ms Lane: This department is managing $28.9 million, which will be directed to regional
bodies to update the regional plans for climate change impacts. That will in large part help to
guide the location of both carbon farming projects and biodiversity projects over the coming
years for both of those programs.

Senator EDWARDS: Can you give me the funding for the next five years for those—year
one, two, three, four, five?

Ms Lane: The regional NRM program commences in 2012-13 with—in terms of the
administered component of that program—$3.8 million approximately in 2012-13.

Senator EDWARDS: So of the $28.9 million you have—
Ms Lane: The $28.9 million includes a component for departmental. The administered component, which is $24 million, includes $3.8 million in 2012-13, $18 million in 2013-14, $1.15 million in 2014-15 and $1.25 million in 2015-16.

Senator EDWARDS: Why is such a little amount being spent in the first year, given that this is an important initiative?

Ms Lane: I think the expectation is that the bulk of the updates of regional plans will occur in the latter half of this calendar year and into 2013-14.

Mr Thompson: If you think of it as a milestone—we pay on a delivery of milestones basis, and it gives the regional NRM bodies time to do the planning.

Senator EDWARDS: So you pay the 56 NRM boards on delivery?

Ms Lane: Scheduled payments.

Mr Thompson: I am sort of hypothesising but there will be milestone payments and we would expect most of that to occur in 2013-14.

Senator EDWARDS: That goes to my next question. How will the funds from stream one be allocated amongst the NRM boards over that five-year period? Is it on merit, or on location, or on what they lodge? How is it defined?

Ms Lane: We are currently developing the guidelines for that program but it will be a competitive program. The 56 regional NRM bodies will be invited to apply for funds over a four-year period to update their plans. Some NRM bodies are more advanced in that process and so may not need as much as some others.

Senator EDWARDS: What does that mean for you as a department—that some areas, because their NRM boards are not as efficient as others, are going to be penalised in this whole Carbon Farming Initiative program? Have we got anything in place to keep the pressure on them?

Ms Lane: I do not think that any NRM bodies will be penalised.

Senator EDWARDS: What if they do not lodge an application?

Ms Lane: I do not imagine that that is a likely outcome. We have been engaging with the NRM bodies over the past year. We have been working with them to develop the principles that will guide the updating of regional plans. They are all very supportive of the measure. They are already thinking about how they are going to update their regional plans in line with the principles that we have developed with them.

Senator EDWARDS: How do you decide—is it a merit based award of money on projects?

Ms Lane: We are still working through those guidelines but regional bodies will make a case to us for an amount of money to update their plan, and part of that will depend on the status of their plans currently.

Senator EDWARDS: What has been the past policy? I am just trying to get an idea—

Mr Thompson: Senator, I think you are asking Ms Lane to speculate on the nature of the guidelines, and they are not finalised.

Senator EDWARDS: Okay. When do you think they will be—if that is not too much to speculate, Mr Thompson?
Ms Lane: We are anticipating that the guidelines will be available very early after the end of this financial year—in the first three months of the second half of this year.

Senator EDWARDS: As part of that process, when you have received those plans and you allocate the money, will they be audited independently of you and the NRM boards as to their appropriateness?

Ms Lane: We will certainly consider the updates to ensure that they are in line with the principles we have developed.

Senator EDWARDS: So you will carry out—

Ms Lane: The department will make a judgement but the Land Sector Carbon and Biodiversity Board may also have a role in it.

Senator EDWARDS: You would expect the $3.8 million and the bulk of the money—the $18 million—to be spent over the first two years, and specifically you would just see that as the rollout of these revised plans for the 56 NRM boards around the country?

Ms Lane: That is right.

Mr Sullivan: It is probably worth saying that the existing NRM plans which exist across all the regions are of varying climate change readiness. So this is reflecting—and I think it is counter to what you were saying before—that some NRM boards will argue that they are being penalised for being better prepared for adaptation than some other boards.

Senator EDWARDS: I will take up the rest of my questions with the Department of Climate Change and Energy Efficiency. Thank you.

Senator DI NATALE: I just have a few questions about the grants issued in Victoria. I am interested in how many applications were received in total versus how many were granted.

Ms Lane: I do not have the Victorian application statistics with me, Senator.

Senator DI NATALE: Can you take that on notice? I am interested in the department’s criteria for assessing grant applications. In Victoria, in particular, it seems that a significant proportion of the grant moneys were awarded to state government agencies and catchment management authorities and so on, and a number of community groups appear to have missed out. Can you just give me an outline as to whether there is anything within the methodology for assessing the grant applications that would favour government agencies over community groups?

Ms Lane: Community groups in Victoria actually managed to get about $6 million of the $32.4 million allocated to that state. That is actually quite a high proportion. NRM bodies certainly did well, with about $11 million of that.

Mr Sullivan: From memory, I think the number of projects in Victoria for community groups is higher than for any other sector.

Ms Lane: It certainly was the second highest group to win money in that state.

Senator DI NATALE: What is the reason for the low proportion of community groups being awarded funds? I suppose that really needs to be seen in the context of the proportion of applications coming from community groups versus from government agencies. Do you have that information?

Mr Thompson: For Victoria, Senator, or across the country?
Senator DI NATALE: Just generally. You are saying Victoria has a reasonably high percentage. I am just interested as to why in general the percentage is so low.

Ms Lane: Nationally around 10 per cent of the applications came from community groups. In terms of the amount of money nationally the community groups were awarded, they got around 13 per cent of the projects.

Senator DI NATALE: Was that low proportion of applications from community groups unexpected? Do you have a general sense as to why that might be the case?

Ms Lane: I do not know that it was considered overly low in comparison to some others—for example, across the country government departments and agencies represented 11 per cent of applications.

Senator DI NATALE: Are we talking about applications as opposed to the revenue associated with those or the requests associated with those applications?

Ms Lane: That is just applications, as opposed to recommended projects. Non-government organisations got 11 per cent and businesses 15 per cent. So community groups did not sit oddly in that mix.

Senator DI NATALE: That is good. Specifically, one of the grants was awarded to the Victorian Department of Sustainability and Environment. I am interested as to whether any of those funds will be used as part of their planned burns program. Do you know about the one I am referring to specifically?

Ms Lane: No, I do not.

Senator DI NATALE: It is titled ‘Managing fire to protect biodiversity, fight carbon and build resilient landscapes’.

Ms Lane: I am not familiar with the detail of that particular project.

Senator DI NATALE: Perhaps you might take some of this on notice then.

Ms Lane: I am happy to do that.

Senator DI NATALE: There is clearly a planned burns program in Victoria on at the moment, and I am just interested as to whether the specific grant in question is involved in any way in the planned burns program. That is the first question. And, in relation to the areas of native forest in which biodiversity assessments are going to take place under that particular grant, I would like to know whether any of those areas are going to be subject to the Victorian DSE planned burns program—and whether in fact there was any discussion with DSE, the applicant, of the planned burns program and how that would impact on that particular grant.

Ms Lane: I am not aware of any discussions with DSE prior to the application but I am happy to take the general question on notice.

Senator DI NATALE: Good. I am done then.

Senator SIEWERT: Can I go back to the NRM plans for a minute. You were touching on this before—this should largely be updating the plans that were in place a couple of years ago that have not been updated. That will be the starting point, won’t it, for this process?
Mr Thompson: It is funding which is to support the regional bodies to update their plans but in particular to incorporate climate change mitigation and adaptation strategies in their existing NRM plans.

Senator SIEWERT: These plans could then presumably be used for all the other funding initiatives that are now on the books—any of the carbon farming, the Biodiversity Fund and the Caring for our Country. Presumably those plans can then be used and would be used for all of those processes?

Ms Lane: Certainly with the Carbon Farming Initiative and the Biodiversity Fund the purpose of this program was that those updates would help to guide the location of projects under both of those schemes. Mr Sullivan may want to comment on Caring for our Country.

Mr Sullivan: At the same time you are dead right in terms of the single point of entry. Caring for our Country will also be wanting to see updates in the NRM planning space but we will not be doing that separately; we will be doing that in a considered and coordinated way in terms of updating those plans. But as Mr Thompson said, this is really about adaptation resilience and readiness with respect to those plans. And there is a varying degree of capability and detail in the current suite of plans.

Senator SIEWERT: Do you have an understanding of what that is, or are you waiting until this process is under way? Do you have basically a bit of an inventory about where the plans are at already?

Mr Thompson: Across regions?

Senator SIEWERT: Yes. Mr Sullivan just said there are varying degrees, and you were talking to Senator Edwards about that as well. Do you have an understanding of where that is, or is it a bit wait and see till you get the applications in?

Mr Thompson: As Ms Lane was saying before, in terms of this particular initiative we are talking to NRM groups. We have an understanding—and, again, the team that is working on this has previous experience of working inside the Caring for our Country process, so we are not starting at ground zero there. This is building on previous intellectual property and analysis that we have. This also comes back to one of the fundamental issues raised by groups—that some groups do better than others because of location. I am not trying to point this to a normalisation exercise across regions but it is really directed at making sure that we have capability inside the NRM planning process to look at best case in terms of resilience and climate change adaptation.

Senator SIEWERT: I was extremely disappointed when regional plans were no longer being updated, funded and used as the basis for Caring for our Country. So I, for one, think this is a good process. In terms of the issues around resilience et cetera, presumably you will also be looking at the plans to make sure that they are comprehensive in terms of a regional approach. When you are talking about the development of the criteria, presumably that will also be included in the process.

Ms Lane: Yes. We have been developing with the NRM bodies over the past year some principles to guide their updating of the regional plans. Once they present their updated plans to us these principles are essentially the criteria for determining whether a plan has actually delivered the outcome we were looking for.
Mr Sullivan: I should probably put back on the record that obviously how this fits together in terms of the next tranche of funding for Caring for our Country is a matter for government and a matter for the consultation process. In terms of your desire for regional plans with respect to national priorities, the key issue that has been raised by stakeholders is how we better align those.

Senator SIEWERT: Yes. That is why I was asking earlier here—or it might have been elsewhere—about how all of these funds are going to work together. Mr Sullivan, I think it was you or Mr Thompson who said that agriculture and environment are going to be a bit separate but there is going to be better governance.

Mr Sullivan: That was me.

Senator SIEWERT: I thought it was—there was going to be better governance across all of these funds. Presumably part of that is looking at how they are consistent with regional plans et cetera. I want to skip over to some of the Indigenous grants. You may need to take this on notice, but can you tell me what percentage of applications were Indigenous applications overall?

Ms Lane: Around five per cent.

Senator SIEWERT: And what percentage overall of the successful projects were successful Indigenous projects?

Ms Lane: In terms of the successful projects, Indigenous-led projects or projects that involve Indigenous engagement secured around 10 per cent of the budget.

Senator SIEWERT: And what land area are we talking about those covering?

Ms Lane: I would have to take that on notice.

Senator SIEWERT: If you could take that on notice—because obviously there is a large amount of Indigenous managed land.

Mr Sullivan: There is a second part to that answer as well. Ms Lane is completely correct in saying that about 10 per cent—19 projects—will be directly led by Indigenous groups but there is a further 10 projects that involve additional Indigenous engagement, including Indigenous employment opportunities. So it is actually a bit false to say that there is the Indigenous projects—there is also Indigenous engagement, involvement and employment in a number of other projects as well.

Senator SIEWERT: That was 10 per cent of the number of applications?

Ms Lane: It was 10 per cent of the overall $271 million.

Senator SIEWERT: That is what I was going to ask. Is that 10 per cent of the value of the projects?

Ms Lane: Yes. I do not have the percentage of number of projects with me.

Mr Sullivan: Nineteen projects, totalling $26.1 million, will be directly led by Indigenous groups and a further 10 projects, totalling $21.7 million, will engage with the Indigenous community and create Indigenous employment opportunities.

Senator SIEWERT: Can you tell me the employment opportunities with the other 10 per cent?
Mr Sullivan: In terms of quantifying that, that is part of the contract negotiations in terms of getting final bounds around exact numbers. But we can take it on notice and get you what we can with respect to that.

Senator SIEWERT: That would be appreciated.

Senator BIRMINGHAM: Back to the line I was on with the Biodiversity Fund, are there any other projects or programs that the department has implemented of this scale this fast?

Dr Grimes: Just going back to the comments that Mr Sullivan made before, what was different in this case is that there are a lot of similarities between the Biodiversity Fund and the projects that are funded under Caring for our Country. That was a point that Mr Sullivan made. So the delivery of this program could actually build on existing capacities and capabilities within the department.

Senator BIRMINGHAM: This is still done in a faster way than you do Caring for our Country grants some 10 years after you started that process, though, isn’t it, Dr Grimes?

Dr Grimes: We have the capacity to roll it out because we have that established capability within the department.

Senator BIRMINGHAM: It may have similarities but for a brand-new program going from start to finish you have managed to achieve timelines that you do not normally achieve for a program you have been running for 10 years.

Dr Grimes: Clearly if we were starting this from scratch it would have been difficult to meet those time frames but we were not starting from scratch; we were starting it with an established capability and capacity within the department.

Senator BIRMINGHAM: Isn’t it the simple truth that you were given this funding—it was announced on 10 July last year that there would be a Biodiversity Fund, eventually some funds were specified and allocated to the department and of course you were told you had to spend more than $31 million this financial year and you had a very limited time in which to do it? You have managed to make that happen but essentially that is how and why it came to be that you managed to deliver it so fast—because she had to get the money out the door.

Senator Conroy: Sorry, what is your conspiracy theory?

Senator BIRMINGHAM: I am pretty sure that Dr Grimes heard.

Senator Conroy: You have the tinfoil hat on, so what—

Senator BIRMINGHAM: I am pretty sure Dr Grimes heard the question, Minister. If you were not listening, that is your problem.

Senator Conroy: I heard your conspiracy theory again. I just wanted to confirm it.

Senator BIRMINGHAM: It is not a conspiracy theory. The question I am asking Dr Grimes—

Senator Conroy: The officials actually worked really hard, worked to the deadlines and guidelines and succeeded—and your criticism is?

Senator BIRMINGHAM: My criticism is this government’s grand capacity for throwing money around like confetti—

Senator Conroy: That is an opinion.

Senator BIRMINGHAM: if you really want the criticism.
Senator Conroy: You have an opinion. Would you like to ask a question—

Senator BIRMINGHAM: I asked a question and you interrupted.

Senator Conroy: instead of repeating for the seventh time your conspiracy theory?

Senator BIRMINGHAM: Settle down, Minister. Funds left in 2012-13, by my reckoning, are about $8.26 million from the grants that you have allocated. Is that correct?

Ms Lane: In 2012-13 there is approximately $9.4 million.

Senator BIRMINGHAM: I have $30.062 million in the PBS and I thought you said you had allocated $21.8 million. But that is near enough—around $9 million. That is a dramatic scale-down from the more than $30 million of first-year grants that have been given in this first round of the program. Why is there that slowdown?

Ms Lane: In terms of the remaining funds in 2012-13?

Senator BIRMINGHAM: Indeed. Why does the program, which got off to such a fast and flying start, suddenly slow to less than a third of its pace for the second round of grants?

Ms Lane: Senator, $9.4 million is still a reasonable amount of money to run a round, particularly given the likelihood that we will be funding multiyear projects again.

Senator BIRMINGHAM: It is nowhere near $31 million or $271 million, though. Is there a rationale the department has for that funding profile as to why it slows down so dramatically in the second year of operation?

Mr Sullivan: In part it is the same answer that I gave to you before in terms of the flat profile in the first two years and then accelerating. From memory, there is around $140 million to $150 million available in the third year of the program.

Senator BIRMINGHAM: Or even $241 million.

Mr Sullivan: Some of it has already been allocated. In terms of the next funding round, again, this will be a matter for the government and for the board to provide advice, looking at what the outcomes were in terms of the spread of projects and what their priorities were. I think that is a matter that the board is taking under discussion when it meets next week in terms of the fundamentals for the next round.

Senator BIRMINGHAM: So the department is working, of course, with the funding profile that the government gave you, that you were stuck with. This was not a funding profile that the department necessarily would have recommended to implement a program like this; it is just what you were given?

Mr Sullivan: I do not think you should put those words into my mouth in terms of not what we would have recommended. But you are right in that what the government has allocated for this fund is what we have to work with.

Senator BIRMINGHAM: What is the biggest grant out of those approved so far?

Ms Lane: I do not have the details at hand but, from memory, it is around $5 million.

Senator BIRMINGHAM: About $5 million out of the $271 million is the largest. Thank you. What is the ongoing scrutiny over the spending by the 317 grant recipients of the $271 million?

Ms Lane: As with a number of other NRM programs the department manages, there will obviously be formal reporting mechanisms for all of the 317 proponents. They will all enter
into a contract with the Commonwealth for delivery of their project. They will be subject to staged milestone payments for the delivery of certain activities, consistent with their project plan. Each of the proponents will be assigned a case manager who will work with them through the course of the project, and that case manager will be able to identify any issues should they arise over the life of the project. Obviously sitting above that will be a broader monitoring and evaluation program which we are currently developing.

**Senator BIRMINGHAM:** When do you expect to go out for the second round of funding, Ms Lane?

**Ms Lane:** The arrangements for the rollout of round two are still under consideration.

**Senator BIRMINGHAM:** Presumably they will be considered at the third meeting of the land sector carbon board, whenever that is—very soon, I think you said.

**Mr Sullivan:** That is correct. It is next week. Part of their agenda is looking at a recap of round one and future directions for round two investment.

**Senator BIRMINGHAM:** Thank you.

[20:11]

**CHAIR:** We will move to outcome 2, 2.1, Management of hazardous wastes.

**Mr Thompson:** Before we commence, Chair, Senator Birmingham asked a question earlier about a travel item. He asked two questions: one that has already been answered by Ms Petrachenko and one that related to an SES officer in the environment quality division. I can answer that now. We identified in detail three trips relating to that period. One was to Cartagena in Colombia. These were all trips related to chemicals transboundary movement of hazardous waste, mercury management—which are core business for the Environment Quality Division and relate to a range of the treaties that Australia is party to. The first trip in October 2011 was Cartagena in Colombia. The second trip was to Nairobi in Kenya. Each of these trips was a period of five or six days. The third trip was to Belgrade in Serbia. Those trips amounted to—in total, costs came to around $42,000. We identified an error in our table: we actually included a trip that was outside the period. There was a fourth trip identified, and that was to Paris, but it was outside the period that you asked about. It was in February 2012, not in 2011. I hope that answers your question.

**Senator BIRMINGHAM:** Thank you.

**CHAIR:** Now, who can help me with zinc pollution in World Heritage areas?

**Mr Thompson:** On zinc pollution, I might turn to Diana Wright in a second. We were in a position to address some of the comments that Senator Heffernan made before about mercury pollution, because there are international obligations in relation to that.

**CHAIR:** I want to ask some general questions on pollution in World Heritage areas. It could be zinc, mercury, cyanide, iron, lead—

**Mr Thompson:** And these relate to—

**CHAIR:** This is the Grose Valley mine.

**Mr Thompson:** So this is mine sites.

**CHAIR:** Yes.

**Mr Thompson:** I might ask Dr Wright to give a bit of an opening to that answer.
CHAIR: I have not asked the question.

Mr Thompson: Sorry—I am going back to Senator Heffernan’s previous question.

CHAIR: I know that Dr Wright is pretty good, because I have seen her in action, but I did not know she was a mind reader. Dr Wright, are you aware of the paper by Dr Ian Wright, Dr Susan Wright, Kristy Graham and Shelley Burgin from the University of Western Sydney in relation to the water pollution in the Greater Blue Mountains World Heritage Area?

Dr Wright: I am not aware of that specific paper but I am aware of the issues that have been raised.

CHAIR: That is good. Just as a matter of interest, you are not related to any of the Wrights there, are you—in the same game?

Dr Wright: No—no relation, to my knowledge.

CHAIR: Dr Wright made a submission on 16 January 2009 to the Hawke review. It has come up again in some recent media reports about problems in the World Heritage area. It is about pollution from the mine site going into the Grose River. Dr Wright, in his submission to Dr Hawke, raises the need for the EPBC Act to address existing problems, not just proposed actions. Maybe we can start with that, because this seems to be a huge problem. Before the World Heritage nomination and approval there were existing mines in the Blue Mountains and now we have a range of pollutions coming from water discharge from the mine. It is an unused mine now. It is actually killing all life for some distance down that river. What was the view of the department or the minister—or Dr Hawke—in relation to the issue of being able to deal with existing problems?

Dr Wright: Maybe I can answer it this way. The management of mines, particularly used mine sites, is a state and territory jurisdictional responsibility. The Commonwealth’s interest is largely through the department of resources and energy. They have a policy interest in this, and there is an abandoned mines working group. The Minerals Council of Australia has also developed a strategic framework for managing abandoned mines which aims to promote a strategic approach to managing abandoned mines so that the sites are efficiently and sustainably managed. In terms of your question on what can be done to address the problem, that is not with the Commonwealth. The area where the Commonwealth has responsibility within this portfolio is not my area; it is the EPBC Act, and that is where there is a matter of national environmental significance.

CHAIR: It may be not your area—and I must say the issue of the miners managing the pollution does not fill me full of confidence. What is the definition of management in terms of the pollution going into a World Heritage area? Shouldn’t you be remediing the problem? Or is managing the problem—

Dr Wright: The immediate management is the responsibility of each jurisdiction, not the Commonwealth.

Mr Thompson: And that is true not just of a mine issue but of World Heritage estates as well.

CHAIR: But we cannot meet our World Heritage commitments if we just say, ‘That is how it is—we’ve got no jurisdictional approach on this,’ can we, because we cannot meet those commitments?
Mr Thompson: I would be going beyond my area of expertise, in particular in relation to World Heritage, so it might be worth taking this up tomorrow in outcome 5.

Dr Grimes: We could take it up in the session with our heritage staff tomorrow, if that would work for you.

CHAIR: I know you are trying to give me good advice here, but the quandary I have is that I have the officers here who are dealing with pollution and I will go to the World Heritage officers tomorrow—I have been around a bit now—and they will say, ‘You should have asked that question last night.’ So I am going to persist. You guys have the responsibility for pollution. I will raise it, so you can alert your colleagues that I will continue to raise the World Heritage issue. But I want to talk about the pollution here. According to Dr Wright there are two precedents where the Commonwealth has intervened in issues like this. I live in the Blue Mountains. I am pretty keen to get some resolution to this if it is possible. I am told this pollution could continue for a century at least, polluting World Heritage areas. The first precedent was the establishment of the supervising scientist at the Ranger uranium mine. The second precedent was the Captains Flat mining area, where the Commonwealth invested a significant amount of funding into an area. Dr Wright—not Dr Diana Wright but the other Dr Wright—might have been a bit cynical, because he says that probably Captains Flat got attention because the pollution would have run into Canberra and the Canberra watercourses. Is there anyone with any history on either of these two Commonwealth interventions?

Mr Thompson: Not on Captains Flat. I can only say that in relation to the Ranger uranium mine that activity gets special attention because of its location in a Commonwealth national park.

CHAIR: Did Dr Hawke deal with the this submission from Dr Wright in relation to the act being amended so that existing problems could be dealt with? Who can tell me about the Hawke—

Mr Thompson: I apologise, Senator, but that really is a question for officers of outcome 5, who are leading on the Environment Protection and Biodiversity Conservation Act reforms.

CHAIR: I am again confused, because pollution and environment are very integrated—are they? I am just very concerned that I do not get some answers here and then get told tomorrow night that I should have asked them here. Your outcome is about pollution. This is clearly and unequivocally a matter of pollution.

Dr Grimes: I think part of the difficulty the officers are having is the distinction between Commonwealth and state responsibilities. You are quite right to draw attention to the fact that we have World Heritage responsibilities. Matters relating to World Heritage could be picked up tomorrow. But in terms of the general regulation of pollution, those functions are typically performed at the state level rather than at the Commonwealth level. We have an important role in setting overall frameworks, of course, but when it comes to responding to specific incidents or specific circumstances it is typically managed as a state government responsibility. That is the reason why the officers will be having some difficulty this evening.

CHAIR: Isn’t this an issue that COAG should look at?

Dr Grimes: COAG can be looking at issues such as that. We do work on waste policy issues through the COAG process. It tends, again, to be in terms of overall frameworks and regulation rather than the management of very specific responses and incidents.
CHAIR: Dr Grimes, I am not sure what could be more important than the World Heritage Blue Mountains National Park. If a World Heritage estate in the Blue Mountains is just left to be polluted then what is the point of the EPBC Act?

Dr Grimes: Again, you are quite right in drawing attention to our World Heritage responsibilities. To be able to respond to specific questions in relation to those it is probably most appropriate that we handle it when we have the officers available.

CHAIR: Maybe we need to have a look on the committee to make sure that when we deal with pollution and World Heritage areas the officers are together before us, because it would just be much better.

Dr Grimes: We can take that on board for next time.

CHAIR: We will take it on board as well. I just do not know where I can go with this. It is such an important issue for the Blue Mountains. It is not just zinc pollution; there is a whole range of different pollutants going into the area. One of the arguments here is that it could have human health effects. It seems to me that there are shortcomings in the New South Wales regulatory system if these are not fixed. So the question I have is: if there are shortcomings in the New South Wales system that allow the pollution of a federally controlled area, what processes are there to deal with that?

Dr Grimes: The lever we would have would be in relation to World Heritage. Again I think it is probably better to have the expert officers here to respond to your question.

CHAIR: So these officers from World Heritage would include an expert on pollution?

Dr Grimes: No, they would have the expertise in the management of the World Heritage Convention and our responsibilities under that and be able to give you an indication of the roles that we play in relation to World Heritage matters.

CHAIR: You can understand why I am concerned that we might end up with these things just falling through the grate?

Dr Grimes: I can certainly understand that. I think the officers this evening have indicated that our role in regulating pollution directly is quite limited. That is a role that is performed by the states and territories, in this case by New South Wales. So in terms of the specific pollution regulation the officers have not been able to provide you with a lot of assistance this evening, but you have drawn attention to the fact that this is in a World Heritage area and there may be World Heritage aspects to the management of this issue. Our officers tomorrow will be able to see if they can provide you with any assistance on that specific matter.

CHAIR: I will be pursuing this. Under section 51 of the Constitution can’t we regulate issues of national significance?

Dr Grimes: Yes, we have the capacity to regulate a number of matters dealing with the environment, and that indeed is the foundation of the EPBC Act. That act is primarily grounded in meeting a range of international obligations—convention obligations—that Australia has.

CHAIR: So if we can regulate on matters of national significance under section 51 of the Constitution and we have the New South Wales government—not just the current government but also previous governments—failing to protect an area of national significance, why can’t we act on that?
Dr Grimes: You are asking me to go into an area of a potential policy response by the government, and I cannot speculate on that.

CHAIR: No, I am not asking you about policy; I am asking you for a response in relation to the section 51 powers that the federal government has in dealing with a polluting issue of national significance.

Dr Grimes: The difficulty I have is just understanding precisely the intervention you would be proposing and then being able to give you advice on the Commonwealth’s capacity to respond in those circumstances. I suspect I would very quickly find myself in areas where we would probably be better off having expert advice rather than me tendering an opinion here this evening.

CHAIR: Sure. Again I am not sure whether I should take this up tomorrow or today, so I am going to do both. You are asking me what we need to do. I am not an expert on this, so I will depend on Dr Wright. Let me say this. From my point of view, if we have section 51 and we have pollution of national significance in the Blue Mountains, why can’t we intervene in the national interest? That is not hypothetical. What stops us from saying to the New South Wales government or the owner of that mine, or the previous owner if they are still there, that they have to clean it up?

Dr Grimes: I think, again, we are probably better off handling these questions when we have the officers with the responsibility in our environmental assessments and compliance division and our heritage and wildlife division tomorrow.

CHAIR: When are they on tomorrow? I need to go through this three times, do I?

Dr Grimes: We can be sure that we have the officers for you at a nominated time—whatever would work best for you, I think.

CHAIR: I do not think I am the only one in this, but—

Dr Grimes: They both sit under 5.1 Environmental regulation—

CHAIR: So 9 am tomorrow?

Dr Grimes: Yes—9 am tomorrow or shortly afterwards.

CHAIR: So we have them at 9 am and then we are on to the Office of the Supervising Scientist, which is one of the issues that the government intervened in before. I am happy to leave it at that and I will pursue it again tomorrow in program 5.1. Could you alert the officers that I will be pursuing it and that we probably need some scientific people there as well?

Dr Grimes: Yes, we will make sure that the relevant officers are alerted.

Senator LUDLAM: I will change the subject. Perhaps, Dr Wright, you will be in a position to crush my spirits, but it would appear that we might be on the threshold of a bit of a win with a national container deposit scheme, which we have been debating across the table for years and probably, with Senator Brown, well before that. Can you tell us how we should interpret the minister’s recent statements in April and then again earlier this month that it is time for a national container deposit scheme?

Mr Thompson: Before Dr Wright speaks I might just say that we are not in the business of interpreting the minister’s comments. We can talk about the process.
**Senator Ludlam:** You are here to crush my spirits. Just keep it straightforward. I am not after an interpretation of his mood on the day but what practical impact it has. Would you call it an announcement, or a policy change—or what is actually occurring?

**Dr Wright:** I think what Mr Thompson was trying to point to is that there is a well-defined COAG process which we have described discussed quite frequently, I believe, in terms of the development and consideration of regulation impact statements under the COAG framework. For the packaging impacts, that comes under the COAG Standing Council on Environment and Water. That council has yet to meet this calendar year to consider the consultation RIS which was recently in the public domain and on which submissions were received. Ministers from all jurisdictions need to consider the consultation regulation impact statement and any issues that have arisen in the consultation process before they can take a decision as to whether they wish to go to the next stage, which is that of commissioning a decision regulation impact statement. So we need ministers to get to step 1 first and—

**Senator Ludlam:** When is the forthcoming meeting? When will that be considered?

**Dr Wright:** At the next meeting of the standing council on environment and water, which is likely to occur in the middle of the year.

**Senator Ludlam:** Has that got a date and a place attached to it yet?

**Mr Thompson:** I do not think so, but it will be in the middle of the year, as Dr Wright said—towards July or August.

**Senator Ludlam:** Does it make any material difference to that process that for the first time, to my knowledge, your minister—the Commonwealth minister responsible for this portfolio area—has gone on the record twice to say that this is a good idea? Has that made any real difference to the way the process will roll out?

**Mr Thompson:** It does not make a difference to the process, because, as Dr Wright said, the process is one that is a well-worn path in terms of how these regulatory impact statements are meant to be completed—consultation periods and then ministers consider. So it does not make a difference to the process, no.

**Senator Ludlam:** Okay, so you did crush my spirit. You are aware, obviously, that one of the options in the consultation RIS is a container deposit scheme reasonably similar to the model of the private senators bill that I have in the chamber and similar to the model that the Boomerang Alliance are proposing and that they put into that process in a detailed submission. Unlike the South Australian model, the surplus from unredeemed deposits will be collected by the Commonwealth rather than by the industry, and there is a bit of a surplus that banks up over time from unredeemed deposits. I put it to you that in the Boomerang Alliance submission—maybe you have it in front of you and maybe you do not—their estimate of the value of unredeemed deposits, the ones that are not returned through the recycling process, is $1.78 billion out to 2020. Does that figure ring a bell?

**Dr Wright:** Yes.

**Senator Ludlam:** Great. Do you have the submission before you?

**Dr Wright:** No, I do not, but I am familiar with that figure.
Senator LUDLAM: You are aware of the model. Does that number hold water? Do you think it is an accurate reflection of the order of magnitude of unredeemed deposits that could be collected?

Dr Wright: To the extent that the cross-jurisdictional working group has looked at this information, that figure is approximately correct. But it is only if it only holds for the first four years, so it is not an amount that would stay in the kitty for the duration; it would then get used up. It is an early aspect of that particular model.

Senator LUDLAM: Their table—which I have in front of me and will shortly table for the benefit of the committee, because I am going to ask you to either validate it or debunk it for me—shows that in the first couple of years out to 2016 it is not actually collecting very much and after that there is a reasonably steady revenue flow. In the 2020 out year it is up to $280 million in unredeemed deposits. Why does your reckoning show that that money evaporates after four years?

Dr Wright: I think we would need to take that question on notice because in order to do the explanation justice, so that it is clear, it would be better to follow up in writing. It is actually quite detailed and you have to look at a number of different aspects of the way the Boomerang Alliance model is constructed.

Senator LUDLAM: I do not know whether I need leave in a committee context to table this document, which is an extract from the Boomerang Alliance submission with, I think, some footnotes. They have used data from your RIS and they have put that together in a table based on, I think, the assumptions in the RIS about the return rate. Even with a container deposit scheme, some of the stuff still ends up by the side of the road. That posits that $1.78 billion surplus out to 2020, which you then use to pay for the collection depots and to pay to run the scheme. If I table that for you now and leave it with you, would you be able to provide the committee with either a validation or a debunking of the underlying assumptions in the table?

Dr Wright: Could I just clarify the expectations. I am happy to take that on notice. If you are seeking to have that information tomorrow, I am not sure I can give it to you within that time.

Senator LUDLAM: No, I do not think that would be fair. This has a material impact on the bill that I have before the chamber. If these figures are wrong my bill does not work. The scheme that we have proposed—the national scheme that I hope is adopted nationally—pays for itself mostly out of the unredeemed deposits, and these are the numbers that we would be relying on. So I am keenly interested to know whether these assumptions, to within an order of magnitude, are correct.

ACTING CHAIR (Senator Fisher): Senator Ludlam, the committee can provide the witnesses with a copy of that document and we can go from there.

Senator LUDLAM: Great.

Mr Thompson: Senator, I just have one caveat on the commentary we provide on this. We will try to provide some factual comment on it, understanding what you desire. The department will not be in a position, though, to provide any information which might compromise the joint government consideration of the regulatory impact statement.
Senator LUDLAM: I am not sure why it would do that. Are there national security concerns underlying this?

Mr Thompson: No. The only point I am making is that, as we said at the outset of the answers to your questions, there is a consideration of an RIS process which is going through, which ministers are yet to consider. The department does not want to provide commentary that will be inconsistent with the government position on that. I am not being unhelpful; I am just putting a caveat around it.

Dr Wright: Whatever the response we can provide you, the bill that you have before the House may be similar to option 4a in the RIS, which is the Boomerang Alliance option, to the extent that there are any differences that could materially affect the assumptions in the numbers. Whilst we can provide some information on the Boomerang Alliance submission, it may not be able to be directly translated to your legislation, because it will not be a carbon copy. There are very detailed assumptions embodied in the RIS, and schemes can be crafted very differently or minor things can be changed that have a material impact.

Senator LUDLAM: Understood. I will foreshadow that I am not seeking policy advice and I am not seeking to pre-empt a decision of government; I am seeking a factual interpretation of a set of numbers. And, to the degree to which the numbers in that submission depart from my bill, I am asking you to take a look at the numbers in the submission, not the bill. Dr Wright, I think that is a useful distinction that you have made. That will be helpful. We will return to that once you have had time to take a look at it. There is a meeting at some stage during the middle of the year, at which environment ministers will come together. The key decision point there is whether to initiate a decision RIS. What would be the approximate publication date of one of those? I am presuming that that would be a public document.

Dr Wright: The time it would take for jurisdictions to develop a decision RIS would depend on the guidance provided by ministers. That could go to the number of options to be considered, the nature of options, whether a new option is analysed, whether there is a combination—it really depends on what ministers decide as to how long it would take to commission a decision RIS. Also, one would expect some further analytical work to look at any issues raised by stakeholders and how they would impact on the feasibility or viability of any of the options proposed. That is the purpose of a consultation RIS. I have probably disappointed you again, but it does take time.

Senator LUDLAM: That is all right—I am used to it. It is almost as though this process has been constructed to take as long as possible, but maybe that is an ungenerous interpretation. There is no statutory timetable that you could point to that says this will happen while we are still young? This could really go for another couple of years?

Dr Wright: There is no statutory timetable. It depends on the nature of the RIS and the extent of the analysis. My experience is that a RIS can take anything to get from start to finish of the process—from two to four years if you go through both steps. Some can be quite simple. If they are just small changes to regulation then they are very short. So it really is a case of horses for courses.

Senator LUDLAM: Or a network of American military bases can be rolled out on a whim without any of this red tape and bureaucracy. It is extraordinary, isn’t it! I guess we will just wish the minister well in wading through this morass that we have set up for ourselves. Can
you just give us a quick update on how we are going with the first big block of policy to move through a product stewardship scheme, which is the national e-waste package? Where is that up to?

**Dr Wright:** Just to recap, the TV and computer regulations which set the requirements of the co-regulatory television and computer scheme came into effect last November. Since that time we have had three product stewardship arrangements—that is, industry arrangements—come forward and they have been approved. There is one further one that is subject to assessment at the moment. The first full year of the operation target year begins on 1 July, when importers will need to meet targets of 30 per cent recycling of televisions and computers. So the clock for that 30 per cent starts on 1 July and—

**Senator LUDLAM:** This year?

**Dr Wright:** Yes. The first full year of implementation and operation when there are enforceable targets commences on 1 July.

**Senator LUDLAM:** So 30 per cent is the first mandated threshold. Do we know what it was last year and how much of a jump this is likely to be on what we would have collected last year without the scheme?

**Dr Wright:** When the RIS was undertaken—which was based on 2007-08 data, from memory—recycling overall was 10 per cent and it was very low for TVs; it was one per cent at that time. Last year that had increased to 17 per cent overall.

**Senator LUDLAM:** So we are going to double that this year, all being well.

**Dr Wright:** And from then on we have 10 years to get up to 80 per cent.

**Senator LUDLAM:** I think the ramp could have been quicker, but at least it is there.

**Dr Wright:** The ramp rate is based on the capacity of the product stewardship arrangements to roll out and get Australia-wide coverage but also the capacity of Australian infrastructure to cope with collection, storage and first-stage recycling.

**Senator LUDLAM:** If only we had introduced a national container deposit scheme 10 years ago then that collection network would be in place. Can you tell us whether there has been any thinking—and I might have put this to you on the record before—about the overlap between the collection network that you will require for the e-waste scheme, which I understand is likely to be a smaller number of larger, more centralised depots and a much more dispersed network of collection centres, and the network for a hypothetical container deposit scheme? Has any thinking been done about how those two networks could be rolled out in a consistent way?

**Dr Wright:** The television and computer scheme is run by industry, so the Commonwealth sets the outcomes and the parameters and targets for performance of the scheme but it is up to industry as to how it rolls out and the way in which it seeks to meet the targets and the requirements for Australia-wide coverage. So—

**Senator LUDLAM:** The TV industry is not going to be interested in whether we collect all the beer cans that are thrown away—about 12 million since this time yesterday. So is that just a way of saying that there is no direction or coordination?

**Dr Wright:** No—
**Senator LUDLAM:** You have divided it out by sector. The computer industry is trying to look after its own waste streams; it is not interested in cardboard cartons being chucked out.

**Dr Wright:** The regulation impact statement was on televisions and computers. It did not include any other materials. The co-regulatory schemes that are currently rolling out are those that have been developed in consultation with industry, with achievable targets and with Australia-wide coverage which will give you around 87 per cent of Australian population access to recycling. The way Australia-wide coverage is specified is that it is on a major urban, inner regional, outer regional and remote basis, with different requirements for each so that everyone gets coverage. For example in the Northern Territory coverage may be by a booking system and a milk run once every two years and that will do it; there will not be any permanent set-ups. One of the co-regulatory arrangements that has already been approved, by contrast, is operating through retrovision—so when people come to buy a new product they bring their old one and can drop it off.

**Senator LUDLAM:** The set-up of the scheme is good. What I was trying to get to is whether we are going to be setting up distinct, separate, firewalled collection centre networks for different product streams or whether anybody has thought that if in 12 months time we might be establishing a system for recycling containers, tyres, oil, batteries or whatever then maybe we should be thinking about these in an integrated way—that was all.

**Mr Thompson:** I do not think it is possible for us to mastermind that at this point in the product stewardship framework that we have in place. Especially through the co-regulatory arrangements, we are working with relevant industries. The point you make is a valid one but may emerge over time and may be something that providers of the recycling facilities or the collection facilities identify as part of their business model.

**Dr Wright:** Also, should there be other materials that require product stewardship schemes, it does depend on the nature of the material and the volume and frequency. TVs and computers are hazardous waste under the Basel Convention and they need special treatment in terms of dismantling and storage. That is not the case for packaging in the broad. Packaging in the broad is high volume and used very frequently, whereas as a battery, tyre, TV or computer is an occasional thing that comes to end of life. So they do have different requirements. Whether you could conceive of something that could meet all purposes we would have to look at a future date.

**Senator LUDLAM:** Maybe not all. I think the shorter answer to my question is no. I am just thinking that if I am packing up my house and I am about to drop a bunch of stuff off to the collection centre it would be nice if I could take the dead TV to the same place that I am taking a bag of used beverage containers to. I guess I am done. The shorter answer was no, so I will leave it at that.

**Mr Thompson:** You can in the ACT.

**Senator LUDLAM:** But here we are in charge of national schemes. Does it work in the ACT?

**Dr Wright:** It does. There are transfer centres where you can drop off your TV, your battery, your oil, your paint cans, cardboard, bottles and any refuse. And a number of local councils provide equivalent services in other states.

**Senator LUDLAM:** I reckon I have made my point. Thank you.
Senator FISHER: Given that there have now been moves in SA and the two territories to ban so-called single-use plastic bags, do you know what the progress is on a national ban on a single-use plastic bags?

Dr Wright: Yes. Back in 2008 the Environment Protection and Heritage Council considered a regulation impact statement on plastic bags. The decision at that time, based on the regulation impact statement, was that it was not economically feasible to have a national scheme, and the council decided not to proceed. Since that time you have had had a number of jurisdictions electing to implement a range of approaches to banning lightweight plastic bags. So there is no further action except to the extent that—

Senator FISHER: States and territories are going it alone.

Dr Wright: There have been Australian standards developed on biodegradable plastic bags.

Senator FISHER: Have any of the other states that have not got bans of single-use plastic bags forecast that they are going to go it alone? They would be brave in the face of a forecast of no net economic or community benefit, wouldn’t they? I guess in the ACT you can get away with things like that.

Dr Wright: South Australia has a ban that was introduced in 2009. The ACT passed legislation in December 2010 and it came into effect in November 2011. The Northern Territory passed legislation on 20 February 2011 and it came into effect in September 2011. And on 18 May the Tasmanian environment minister announced funding of $700,000 over three years to help move towards banning lightweight non-biodegradable plastic bags in Tasmania. The Western Australian government has recently rejected a bill in the upper house to ban non-biodegradable lightweight plastic bags.

Senator FISHER: So that only leaves out Victoria, doesn’t it?

Dr Wright: And New South Wales.

Senator FISHER: So they have probably been splendidly—

Dr Wright: And Queensland.

Senator FISHER: Okay, thank you.

Senator BIRMINGHAM: I have a few quick questions about the department’s obligations to apply the equivalent carbon price to the import and manufacture of synthetic greenhouse gases. How many entities do you anticipate will be paying as a result of this?

Dr Wright: There are currently around 1,500 importers of synthetic greenhouse gases. There are approximately 900 regular importers and 600 one-off low-volume importers currently. We do not expect those numbers to change significantly with the new amendments to the legislation. It is 1,500 in total.

Senator BIRMINGHAM: And manufactures—or are there none?

Dr Wright: There are no domestic manufacturers. The imports are either bulk gases, which are then used for various purposes for refrigeration, air-conditioning and the like in Australia, or imports in products. It may be an air-conditioner in a motor vehicle, for example.

Senator BIRMINGHAM: How much do you expect will be received as a result of the application of the price?
Dr Wright: It will be $190 million in the first year.

Senator BIRMINGHAM: What consultation has there been between the department and industry?

Mr Thompson: The legislative amendments of course were released as part of the Clean Energy Future exposure draft process. Over the period 28 July to 22 August 2011 the department undertook a number of public consultations. From those consultations around 15 industry participants provided formal comments. An information session was held with the industry on 17 August 2011. Fact sheets have been published on the department’s website as of 3 January 2012. Over the period March to April 2012 the department continued to engage with the industry, including obtaining stakeholder feedback on the export scheme, and industry feedback has continued to be received. On 29 March 2012, officers from our department and the Department of Climate Change and Energy Efficiency attended an industry summit hosted by key representatives from the refrigeration and air-conditioning industry and responded to questions there. Industry sectors continue to be directly engaged on details of the regulations and the administrative arrangements, including as recently as last week.

Senator BIRMINGHAM: Exactly when do they pay the charge in this respect? Is it at the point of importation? When is it applied?

Dr Wright: It is at the point of importation, and there will be a longer period to pay. It is now 60 days as opposed to, I think, 15 previously.

Senator BIRMINGHAM: That is 60 days after the end of each quarter?

Dr Wright: Yes.

CHAIR: You have had discussions with the companies. What is the charge and what is the effect on these companies, in real terms, that gets passed through to the consumer?

Mr Thompson: In terms of the impact on consumers—it is probably easier to work from that end. There are three broad types of synthetic greenhouse gases which will attract the carbon equivalent price: hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride. There are a range of subspecies of those gases, a large number, each with different global warming potential. The charge affects that. In general terms—and Dr Wright will correct me if I am wrong here—the common household usage of these gases is for refrigerators. It has an estimated impact of around $4 on the cost of a household refrigerator and an estimated impact of around $18, I think, on the cost of a car through air-conditioning gas that is used.

CHAIR: So it is minimal?

Mr Thompson: It is quite small.

Senator BIRMINGHAM: Do people have to re-gas these refrigerators as well, or is this a one-off process?

Dr Wright: Supermarket refrigerators can last 20 or 25 years, so costs are amortised over that period. The extent to which a supermarket refrigerator would need re-gassing would depend on how effectively it is maintained, the extent of leakage. Also, at the point where it came to end of life or needed re-gassing it would be an opportunity for consideration of change to a different technology which uses gases with a lower global warming potential and may not be subject to the carbon price, which is really the policy intent.
Senator BIRMINGHAM: Have you written to all 1,500 importers advising them of the new process, the new obligations, the new costs et cetera?

Dr Wright: We are in the process. We have a letter drafted which is about to go out to all liable parties.

Senator BIRMINGHAM: Why is that coming so late, it would seem, in the piece given all of the other consultation Mr Thompson went through before?

Dr Wright: There has been significant consultation, including on the exposure draft of the legislation. There have been many bilaterals and the officers in the area have been to many industry association meetings and conferences and the like and explained this. But we did need to get to a stage where we had the regulations crafted so that when we wrote to them we could provide accurate and timely information. This is the point at which we are doing that.

Senator BIRMINGHAM: And those regulations were finalised when?

Dr Wright: They have not yet been finalised. They are in the process of being finalised. They would need to go to the Governor-General in June to come into effect on 1 July.

CHAIR: I think that is an appropriate time to break for tea.

Proceedings suspended from 21:02 to 21:18

CHAIR: I now call officers from the department in relation to program 2.2 sustainable communities.

Senator LUDLAM: I want to ask about the suburban jobs program. Last estimates we were discussing why this $100 million program, which we support in principle, had been chopped back to $45 million over four years. The application round, I understand, closed in February and you had 31 applications. Can you tell us how the program was advertised and to whom?

Mr Thompson: As I think we indicated at the last hearing, the program design involved feedback from a number of entities—not only academic and expert opinion but also local governments, the National Growth Areas Alliance and the like. We used those contacts to make known the program guidelines when they were published and when the application process opened. That is all I can tell you.

Senator LUDLAM: Could you table the list of groups that you consulted with at all stages of that program? I understand that, as would be appropriate, your coverage of local government authorities and their collective or regional bodies was pretty good. I am just interested though in how much more broadly you went beyond that. We can take that on notice.

Mr Thompson: We are happy to table that. We have that available but we are happy to provide it on notice.

Mr McNee: I think we originally tabled a list of organisations we consulted early last year. Do you want the full list again or just the additional ones?

Senator LUDLAM: No, since then. My understanding—correct me if I am wrong—is that this is it. Once you have spent all the money we are done. The reason why, as I said at the outset, we are supportive of this is that the gap between employment hubs and the places where people live is a pretty urgent issue. We have created extremely car-dependent suburbs that are a long way from employment centres. I wonder how much of a dent, when you roll it
across the entire continent, we are going to be able to make in that with $45 million. Is it the proposal to evaluate how well this money is being spent and then scale that funding up? Are we intending to learn from this or is this a one-off?

Mr Thompson: Certainly we are intending to learn from this. The intention is that when decisions are taken about successful projects we will build into the funding agreements with those entities provisions for intensive learnings to come back to the department and be shared with local councils, in particular, and other interested bodies. But, as I think we indicated at the last estimates hearing, there is no decision at this stage about whether there will be a future program of this kind.

Senator LUDLAM: That would be a political decision for the government—okay. How will you evaluate the success of this program? What kind of metrics will you use? Is it as simple as saying, 'We created access to this number of suburban jobs'? I would imagine is a bit more complex than that. How will you know if it has worked?

Mr McNee: I think there will be some elements that potentially relate to metrics, like the number of jobs that are created. But in part the nature of the project may require some special consideration of exactly how we monitor and assess it. So I think once the process of assessment is complete and we have identified particular projects that are going to be funded then that process will need to kick off, because there is quite a diversity in the nature of the applications that have been received.

Senator LUDLAM: I would have thought so. We are not necessarily creating jobs either, are we; we are redistributing?

Mr Thompson: As you say, it is not a job creation program. It is about providing opportunities for employment outside CBDs.

Senator LUDLAM: And shorter travel times.

Mr Thompson: And shorter travel times.

Senator LUDLAM: Or eliminating travel times to work. That is a very important metric. Is this being aligned at all with the delivery of the National Broadband Network? Now we have the minister’s attention. Good evening, Minister.

Senator Conroy: What are we talking about?

Senator BIRMINGHAM: Budget Paper No. 2 last year said in relation to this program that:

... it will also provide grants to companies that fund innovative ways to use the National Broadband Network to reduce travel times.

There you go, Minister.

Senator Conroy: We have a teleworking program in November, which I know you will be a big advocate for.

Senator LUDLAM: I probably will be. Can I put this back to—

CHAIR: I do not want you ganging up on the minister at this time of night.

Senator Conroy: That is disturbing.

Senator LUDLAM: That was actually a valuable interjection. Let the Hansard record show it in big capital letters.
Senator Conroy: Everyone deserves one, Senator Birmingham.

Senator LUDLAM: With that in mind, do you prioritise areas where Mr Quigley is going first? So you will be aware that they are having to spot this thing out in different parts of the country and the network, provided it is not ruined by a potential future government, will gradually mesh together until it covers the whole country. If I am a local government authority trying to create local jobs in the suburbs, was there any consideration by you folk about targeting areas where the NBN is going first? Does that make your life easier, or is it not looked at?

Mr Thompson: There are two things there, without going into the details of applications that were received, which I know you will appreciate we cannot really talk to. One is the nature of the guidelines themselves. Following consultation in the development of the guidelines—and we did release draft guidelines for comment—the NBN component has been incorporated into the overarching program funding stream, because the feedback from potential proponents and more broadly recommended that substantial integrated projects were more likely to provide benefits than ones dedicated to or aligned along the NBN. The second part of answering that question is that we really left it up to proponents to demonstrate to us that they were seeking to take advantage of the NBN rollout or other broadband technologies which would be advantaged by the NBN rollout at a future time in the applications that they put to us. Summing up, the NBN element and the technology element of applications was one thing that we took into account.

Senator LUDLAM: Was it explicitly mentioned in some of the applications that you got?

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

Senator LUDLAM: If you could. To me it seems like an obvious area where you would look for integration. It would be surprising if it is missing. Is anybody in the sustainable communities program unit looking at the need for affordable commercial space across suburbs in growth areas? There are suburbs that have been rolled out that do not have footpaths, because it is assumed you drive everywhere, and do not have so much as a corner shop, because it is assumed you will drive to the local megaplex 20 kilometres over the horizon. That makes commercial affordable space a potentially limiting factor for suburban jobs. Is that factored in at all?

Mr Thompson: No, I do not think it is.

Senator LUDLAM: That is going to be tricky. Are you working with the major cities unit in Minister Albanese’s portfolio?

Mr Thompson: Yes, we are, quite closely. In fact, some colleagues from the major cities unit form part of the assessment panel that we put together for the projects.

Senator LUDLAM: Excellent. I suspect this might change your answer that you are not really looking at affordable commercial space. I suspect, on reflection, that part of the agenda of the MCU or of distributing jobs across suburban areas, where they are very sparse at the moment, is just that—to create or redistribute affordable commercial space. I might ask you to take that on notice and see if that can be made a priority, if it is not already.

Mr Thompson: I should say, too, that I may be misunderstanding your question, so I might not be answering it very clearly.
Senator LUDLAM: Last estimates we confirmed that the program had been cut to $45 million. I believe that $10 million was contributed to the Illawarra Region Innovation and Investment Fund. Can you tell us a bit about that program?

Mr Thompson: Not in detail. That program is being administered by the Department of Industry, Innovation, Science and Research.

Senator LUDLAM: Have they just pinched $10 million out of your allocation?

Mr Thompson: There was a government decision to reallocate funds from suburban jobs to that.

Senator LUDLAM: Can you be a bit more specific?

Mr Thompson: Not really.

Senator LUDLAM: Was that attached to the carbon price package? What was the purpose—

Mr Thompson: Sorry—the Illawarra Region Innovation and Investment Fund was set up following the downsizing of operations at Blue Scope in the Illawarra.

Senator LUDLAM: That is interesting. The final thing, I guess, is when we might be expecting announcements. I believe that you are targeting the middle of the year. Arguably that is approaching now. When are we expecting some announcements?

Mr Thompson: Substantive funding under the program does not commence until 2012-13, so we are looking to make announcements in the near future, which would allow contracts to commence very early in 2012-13.

Senator LUDLAM: Finally on this topic, is there an indicator—and I want to shift to indicators in a second—about an affordable commercial floor space gap in suburban areas? Is there a metric? Is it something the ABS collects?

Mr Thompson: I am not aware of that metric, Senator.

Senator LUDLAM: I am not aware of that metric, Senator.

Mr McNee: I am sure that we have actually looked across that information as part of the measuring sustainability program, but I do not recall whether there is a specific dataset available.

Senator LUDLAM: Okay. I want to go to that now if I may. It has been a year since the Commonwealth began this project around sustainability indicators. We have been expecting a set of headline indicators, a reporting strategy and funding for a directory of sustainability information on the way to releasing an actual tool that can be used by practitioners and local governments. Can you update us on how that is progressing?

Mr McNee: I think last time we spoke we indicated that we were in the final stages of identifying a set of headline indicators. We have gone back and undertaken quite a bit of additional consultation around that, which has taken us a little longer, and we have also spent time identifying the data sources that would underpin the headline indicators. So we are at the very end of that process now.

Senator LUDLAM: So your answer is effectively the same as it was in February? We are almost there?

Mr McNee: Yes.
Senator LUDDLAM: Just tell us what we are likely to expect—what can we expect to see?

Mr Thompson: It is not as straightforward as that. There are still some issues to be finalised in the implementation of this measure that need to be considered by the government, so it is a matter for government.

Senator LUDDLAM: So what you are saying is that you are right on the verge of putting something to the Minister—Minister Burke? What happens then?

Mr Thompson: No, what I am saying is that there has already been a trail of advice to the government on these issues on different aspects of implementing the program and decisions taken—some of those not yet announced. But there are some final implementation details that still need to be decided on.

Senator LUDDLAM: I am going get a bit local if I may. One of the biggest threats to biodiversity, you would be aware, is land clearing. Perth has lost 50,000 hectares of urban bushland on the Swan coastal plains since 1990. Half of that was between 2005 and 2010. How will the indicators measure and report on land clearing—to be specific, in urban areas?

Mr Thompson: Our thinking on this, subject to final decision by government, obviously, is that land use change will feature in an indicator set covering the environmental or natural capital stream at a headline level and that that would be informed by some other indicators below that, one of which may be split between urban—

Senator LUDDLAM: Which may be? Okay. I think in the consultation that we are doing on this—and I have put on the record before that we are supportive of this work as long as it gets out there and is published—

Mr Thompson: I am conscious of that.

Senator LUDDLAM: —that the indicators will need to be quantifiable and reportable and that would obviously be one—the headline indicators on urban land clearing. Are you familiar with the Green Building Council’s green star communities rating? Has their work fed into what you guys are putting together?

Mr McNee: We are certainly aware of the work and that material, and we have engaged with the Green Building Council in the consultations and negotiations around that.

Senator LUDDLAM: When was that?

Mr McNee: We have met with them a number of times bilaterally but they have also participated in roundtables that we have held.

Senator LUDDLAM: Maybe it is too early for you to tell me this but will the set of indicators that you are putting together be compatible with what the Green Building Council has already put together?

Mr McNee: Rather than hazard a guess, which it would be at this stage, I would be happy to take that on notice and come back with an assessment.

Senator LUDDLAM: The Property Council recently launched their Make My Cities Work project. There you go. They appear to have beaten the Commonwealth to it as well. There is a set of quantifiable, measurable indicators particularly around big urban areas. It is quite a clever project. Is what you are putting together compatible with that?
Mr Thompson: Again, we would probably need to check that to be specific, but I can say that both the Green Building Council of Australia and the Property Council took part in a roundtable with us on 2 November last year and a substantive workshop on these issues on 31 January this year. So their views have been well represented.

Senator Ludlam: How are you working with the ABS on this project?

Mr McNee: We are working very closely with the ABS in the overall design. There is a lot of interaction with the ABS. We have an outposted ABS officer actually working with the team that is putting this together and we coordinate on many aspects of the design of the program.

Senator Ludlam: In relation to the Rio+20 summit in June, which I believe my colleague Senator Waters is going to, I note that sustainability reporting and mining are two of the priority items up for discussion. Is anyone from your unit attending to look particularly at sustainability and reporting?

Mr McNee: Yes, there will be people from my area attending Rio+20, particularly to cover issues around measuring sustainability and also sustainable development goals.

Senator Ludlam: What are the odds that by the next time we are sitting here discussing these issues over the table we will have actually reported and will have something to evaluate?

Mr Thompson: I am not a betting man. I do not want to speculate on the answer to that. It really is a matter for final government decision.

Senator Ludlam: It was worth a shot!

Chair: And even if you were a betting man you do not need to tell the senator!

Senator Ludlam: You are meant to be on my side, Chair. That is, thanks.

Senator Waters: Since 2007, has the department ever briefed the minister or done any internal work on a population target for Australia?

Mr Thompson: We have briefed the minister and done work in the context of developing a sustainable population strategy, which, as you probably know, was a document released by the government at budget time a year ago. We have not done specific empirical work on a target.

Senator Waters: A nice clear answer—I like those. I want to move now to the COAG communique of 13 April, which I have alluded to a number of times today and will tomorrow as well. Was your section of the department consulted on the COAG communique of 13 April, particularly in relation to the EPBC reform aspects?

Mr Thompson: This part of the department in this particular division was, as far as I know, not consulted in that matter, but that is not unusual. The lead on that matter would be the relevant EPBC Act areas of the department.

Senator Waters: Did your section provide input into the approvals bilateral process that they are now fast-tracking—into that specific aspect of the COAG reforms?

Mr Thompson: I think you are asking a current question: are we providing input into that?
Senator WATERS: No. Did you provide input into the COAG approvals bilateral agreement or the agreement to fast-track that?
Mr Thompson: No.
Senator WATERS: You are now though?
Mr Thompson: We are liaising with the relevant area of the department that is leading it on some issues, yes.
Senator WATERS: That is good. Now I want to ask whether you have advised internally or to the minister’s office of the risks of fast-tracking an approvals bilateral agreement and in particular the risks to the government’s newly announced Sustainable Regional Development program.
Mr Thompson: That particular program is actually run out of our environment protection and biodiversity conservation area of the department, not by this division. So it is not surprising that we would not have advised on that particular issue.
Senator WATERS: Isn’t it about strategic assessments in regional and coastal growth areas though?
Mr Thompson: It is and it features—
Senator WATERS: And that is not your section?
Mr Thompson: It features in the sustainable population strategy, but while the Sustainability Policy and Analysis Division has overall responsibility for that strategy it does not directly administer that program.
Senator WATERS: That is yet another tranche of questions I have for 5.2, is it?
Mr Thompson: Yes.
Senator WATERS: Thank you. That is probably as far as I can take it.
CHAIR: I think that concludes questioning on this outcome.
Senator FISHER: Unless I can ask about the Renewable Energy Atlas here. It used to be 2.3. That is where it was last time.
CHAIR: I think Mr Thompson says no.
Senator FISHER: And 2.3 has now vanished, so where oh where has my Renewable Energy Atlas gone?
Mr Thompson: I think we sought to answer this question at the last estimates.
Senator FISHER: You did and you have provided an answer to a question on notice. That is what I want to ask about. It was question No. 50. I asked about correspondence between your department and the other. The answer is that there is no formal correspondence but there were six emails. Aren’t they correspondence? Can’t I have a copy?
Mr Thompson: I think we were just being specific there. Whether you can have a copy of those emails I will have to take on notice.
Senator FISHER: I expect you might. I ask again what changed between when the minister announced the launch of the atlas in 2008 and said it would be an important step in making renewable energy a more viable and practical choice for the future and late 2010, when it vanished.
Mr Thompson: As I said at the previous hearing, the critical thing that changed was that the responsibility—and this is an administrative answer, not a policy answer—for renewables policy and the Renewable Energy Atlas went out of the then Department of Environment, Water, Heritage and the Arts and into the Department of Climate Change and Energy Efficiency.

Senator FISHER: Yes, that is an admin response and you are just the messenger, but it looks like $590,000 of taxpayers' money gets essentially proverbially up against a wall because we have moved things from one department to another. That is about all I can discern at this stage. Unless you have anything to offer to the contrary, that is all I have. I would welcome a copy of the emails, thank you.

Mr Thompson: I will see what I can do.

Senator FISHER: Thank you, Mr Thompson.

Senator McKENZIE: I want to follow up on something Senator Ludlam was canvassing around the development of the criteria to measure sustainability when it comes to sustainable communities in the suburbs—obviously looking at your brief around jobs, education etcetera. I just want to clarify. You have not been considering the NBN rollout, you have not been considering affordable commercial space in terms of developing economic opportunities for new job opportunities in the suburbs. What sorts of areas are you looking at in terms of economic sustainability in the suburbs?

Mr Thompson: Just to be clear, I did not say that we were not considering the NBN. I said that we were really relying on potential proponents to identify those opportunities.

Senator McKENZIE: Thank you for that clarification.

Mr Thompson: Certainly we are interested in the technological aspects of some of these projects in the jobs program.

Mr McNee: And we are certainly looking at demonstrating opportunities that might arise from those types of things and looking at collecting information that might inform better planning processes that go on. As I said, depending on the nature of the projects that are selected, they may have quite different lessons or information to provide.

Senator McKENZIE: Do you work directly with local governments such as, in Victoria, Casey, Hume—those larger periurban—

Mr Thompson: Yes, some of those. I do not know specifically but some of those may be proponents, so we cannot speak in detail of that. But a number of those local governments both were consulted in the design of the program guidelines and may have been proponents there. In its essence this program is about the Commonwealth making a contribution to assist local and state governments to plan and provide for job opportunities outside the metro CBDs.

CHAIR: I call officers from the department in relation to program 3.1 Antarctica science policy and presence. Dr Fleming, we meet for the second time today. Just before we go to questions, I will indicate that I had a discussion with Dr Fleming today. Previously the environment committee—the chair and deputy chair—went down to the Antarctic to have a look at the operations there. Dr Fleming is working with me to try to organise a visit for
Senator Fisher and me in December, so maybe when we come back there will be a lot more questions than we have at the moment.

Senator FISHER: It is two committee members, Chair. Perhaps the people who do not love you all that much have conspired with those who do not love me all that much to send us off together!

Senator BIRMINGHAM: Dr Fleming and colleagues, welcome. Firstly, what price to make it a one-way flight? Speaking of price, we will come to the kind of good news that is in the budget for you. I think I recall last year we went through and had some discussions with the division about the continuation of shipping support and the continuation of air support and air services and the fact that that was not really fixed in the budget for the future. This year I see that it has been confirmed over two years from 2012 and 2013 in both of those categories. Once again, it has not been fixed in the budget for the future. Shouldn’t this be a core part of the funding for the Antarctic division? Wouldn’t it render your operations extremely problematic not to have this funding?

Dr Fleming: As I think Lyn Maddock said last year, we are going through a process of evaluating our transportation logistics and that process is taking some time to reach a conclusion. This funding provides two years worth of funding so it will enable us to conclude those discussions about transportation logistics and then we will have discussions inside government about the transportation options within those two years.

Senator BIRMINGHAM: So is this the potential, particularly on the shipping side, for you to need to upgrade or change over the primary shipping activities and facilities that you use?

Dr Fleming: The ship is now I think 22 years old and it can run until 2016-17. We are looking at what is the future after the Aurora Australis.

Senator BIRMINGHAM: Presumably the airlink is something that you are going to want to maintain for the flexibility and ease of getting people in and out as much as equipment. But that is simply tied up with the ship, so that you have a coordinated transport plan?

Dr Fleming: Absolutely. We are looking at shipping and aviation together because one influences the other in terms of what we carry through aviation and what we carry through shipping. Most Antarctic nations are looking at intercontinental aviation as one of the means of carrying expeditioners down to the Antarctic.

Senator BIRMINGHAM: Dr Fleming, the other piece of budget change and budget good news there for you is the $11.2 million that has been identified to contribute to the maintenance of station operations in the Antarctic science projects to be provided in the 2012-13 financial year. You must have had a very special case for that, because everybody else either got their 2012-13 money early or has to wait for it until 2013-14. What was the good case that made the Antarctic Division a one-off special across government to get money just in that year?

Dr Fleming: I will let Rob Wooding, our operations manager, talk about our operations.

Dr Wooding: In the 2009-10 budget the government recognised that, due to growing costs that we had been facing in many areas—because a lot of our services and procurement comes from international markets, which tend to rise quicker than general CPI—we were facing a pressure that might make continuing our network of four stations and supporting logistics
difficult to sustain, so some additional money was provided in that budget and that case has continued since that time.

**Dr Grimes:** Effectively, as a department we have had to remake the case each year for the additional funding required to sustain our Antarctic operations. As Dr Wooding has indicated, that is something that we have had to do through a series of budgets. It was the case also for this financial year—2011-12—$13.2 million worth of funding was provided for this financial year. For next financial year, the supplementary funding is $11.2 million.

**Senator BIRMINGHAM:** If this is funding that is core to the division’s activities, it obviously means that you will be fronting up and asking for this funding again in next year’s budget for 2013-14 and so on. Is there any indication from government that they are going to consider the long-term funding base of the division in this regard?

**Dr Wooding:** As Dr Fleming said earlier, and as Lyn Maddock said last year at estimates, Senator, we are engaged in a modernisation project that will look at the broad range of our activities and it will be considered in that context.

**Senator BIRMINGHAM:** So not just transport; you will end up—

**Dr Wooding:** Transport is the key element. It is one of the most expensive elements of what we do and perhaps one of the ones where the cost pressures are the greatest.

**Senator BIRMINGHAM:** Perhaps these are related to the 11.2 or maybe not, but on the key performance indicators that the division has on page 58 of the PBS, you are one of the few areas of government that seems to set some metrics and clear numbers around KPIs. But I do notice that the first two there on your table—the number of scientific publications and the number of international institutions collaborating—are dropping off. You have footnoted that it is because of a refocusing of priorities. What is that refocusing of priorities that sees a 50 per cent cut in scientific publications?

**Dr Fleming:** Perhaps I can get Dr Nick Gales, who is our Chief Scientist, to respond to you.

**Dr Gales:** I hope it is not my new appointment to the Antarctic Division that is related to the drop in numbers! Effectively this year is the first of a new 10-year strategic plan that we have implemented across the Antarctic Division. Up until now we have certainly had some strategic pressures put down on which projects we support, but we have done our best to support a large number of projects and we have given them small amounts of money typically, so we have tried to squeeze in as many projects as we can. That has got more people down there but, in the end, in the assessment a lot of them were not able to deliver what they really wanted—so they may have applied to go down for two months and we could only get them down there for five weeks et cetera. Within the new strategic plan we have a much higher emphasis on delivery against the primary government priorities for the science, so we are trying to get quality over quantity—we are trying to get people down there for the full time they really need and to deliver on those key projects. So we thought it wiser that that be reflected—undoubtedly there is an element in which our budget environment is constraining on how many people we can take south and the degree of science we can do as well, which is an element of it. But in some ways the main part is focusing on getting people down there for the full season to deliver properly into the main themes of the strategic plan.
Senator BIRMINGHAM: Thank you. I will push on and beyond the budget papers. The Antarctic Ocean Alliance, which appears to be a New Zealand based organisation, made a public call recently for a marine reserve of some 3.6 million square kilometres in size in the Ross Sea area. Is that a proposal that the division is aware of?

Dr Fleming: Yes, we are aware of that. The proposal came up last year in the CCAMLR forum—the Commission for the Conservation of Antarctic Marine Living Resources. Both New Zealand and the USA put forward proposals for marine protected areas in the Ross Sea.

Senator BIRMINGHAM: Has the Australian government formed an opinion on this or has the division undertaken any research on the proposal and its merits or implications?

Dr Fleming: We were involved in the discussion in last year’s CCAMLR and this year’s CCAMLR is due to consider proposals for marine protected areas. CCAMLR is in a few months time and those proposals have not yet been submitted, so we have no proposals to form opinions about at this stage. But at last year’s CCAMLR a general measure was adopted about marine protected areas in the CCAMLR zone of influence in the Southern Ocean, which created a framework for individual marine protected area proposals to come through. So in this year's CCAMLR we expect that there will be some marine protected area proposals and we anticipate that there will be proposals for the Ross Sea.

Senator BIRMINGHAM: Is there much fishing or activity that could potentially be prohibited or regulated under a protected area scenario currently being undertaken in those areas under question?

Dr Fleming: In the Ross Sea area?

Senator BIRMINGHAM: Yes.

Dr Fleming: There is some fishing undertaken in the Ross Sea and it will depend on the configuration and the requirements of each MPA proposal whether it will impact on any significant fishing activities. So I cannot answer that question until I see the proposal before me.

Senator BIRMINGHAM: What would the process be for Australia in considering support or otherwise for such a proposal?

Dr Fleming: We have a process. This is a longstanding process where we bring together an interdepartmental committee to consider CCAMLR proposals and we form a whole-of-government opinion about those proposals. Then we prosecute that whole-of-government position in the negotiations inside CCAMLR. CCAMLR is an annual meeting. The secretariat is hosted in Hobart and the meeting is always held annually in Hobart.

Senator BIRMINGHAM: Would such a proposal require an amendment to one of the treaty documents or would it require domestic legislation to support it?

Dr Fleming: No, it would be through a conservation measure. CCAMLR operates via conservation measures. There are measures adopted to regulate the fishing industry, to create conservation areas and to undertake scientific research. Conservation measures are the currency of CCAMLR. So the creation of an MPA in CCAMLR would be via a conservation measure. So it would not need any alteration to the convention that it sits under.

Senator BIRMINGHAM: Does that then make it something that is enforceable or is it more—
Dr Fleming: It is enforceable amongst the members of CCAMLR.

Senator BIRMINGHAM: Noting that there is not necessarily a reference that even comes to the parliament for an amendment or an annexure to an existing treaty or the like, would a decision to support such an MPA at least require cabinet or ministerial approval? What sort of public consultation and engagement could there be that may at least provide scope for comment for any fishers affected or anyone else with an opinion?

Dr Fleming: At the moment the procedure is that, as I have said, we have an interdepartmental committee which considers proposals for each CCAMLR meeting. We also have the consultative forum, where we talk with fishing industry representatives and conservation group representatives and we discuss the proposals coming forward at CCAMLR. Those proposals will be discussed through that forum. I am quite new in the job, so I do not have the history of running many CCAMLR meetings. But CCAMLR has only adopted one marine protected area in the past and that was in South Orkney Islands. I do not know the procedure that the Australian government worked through to adopt a position on that marine protected area. I suspect Australia was quiet in the discussion because that is in an area distant from Australia.

Senator BIRMINGHAM: Perhaps if you could take on notice if there is anything that can be added in regard to especially the opportunity for some degree of public consultation or comment should there be any impact on Australia’s interests aside from just the preservation interests—that would be appreciated. I think this is the last area for me. I thought I would finish on the happy note of penguin populations. I have noticed a couple of reports recently suggesting that both on Macquarie Island and also on Antarctica there appear to be strong recoveries or greater than expected numbers of penguins. Is this supported by research that the division has undertaken?

Dr Gales: There is a lot of work around different species of penguins all of the way around Antarctica. There is a lot of change that has been happening around on the Antarctic Peninsula—the skinny bit to the south of South America. There has been a huge change in penguin populations where there has been a big change in sea ice. The penguin species that do really well on sea ice, like Adélie penguins, are diminishing and the penguins that do well in more open water environments are increasing in numbers. So there is a real change in population density there in relation to the ice. Around in eastern Antarctica we have been struggling really to get a good handle on exactly how many penguins there are and the trend in those populations. With Adélie penguins now, some people at the Antarctic Division and colleagues in fact around at most of the coastal stations have been putting the data together and getting a really good benchmark. In some areas those populations do seem to be increasing. With the emperor penguins in particular, there has been some exciting work done more recently where satellite photographs have been used to identify colonies, because they are very hard to find. We have actually found a lot more colonies that we did not know about in the past. But they are perhaps one of the most vulnerable of the Antarctic penguins. So around Antarctica and around eastern Antarctica we are actually not too sure what is happening overall with populations. There is a fair bit of variability. But we have a much clearer picture around on the Antarctic Peninsula region. Some of the changes that you are talking about on Macquarie Island are to do with population recovery. Those penguins were used to fuel fires to boil elephant seal blubber, so they were taken down to incredibly low
numbers. The populations of king penguins there are now rebounding, thankfully, and they are in fact quite enormous in one area around Sandy Bay. Those populations may well reach a peak and level off a bit, but we have a routine population monitoring regime down on Macquarie Island for a lot of the main predators there, including the penguins.

Senator BIRMINGHAM: As they return to levels on Macquarie Island of breaching a potential peak there, are there actually any environmental problems that come with such a strong surge in penguin numbers?

Dr Gales: It is an interesting balance, because as animals are removed off islands you will have vegetation come down and fill in the spaces and then, as the animals recover, people will see rare plants displaced by the penguin populations re-establishing their original footprint in the colony. There have been all of the rabbit problems with vegetation as well. Around Macquarie Island we have not had quite so many issues like that. But on some of the other subantarctic islands there has been recovery of fur seals displacing albatross nest off the islands. So there has been quite an interesting management issue to do with how the recovery of one threatened species can endanger the recovery of another and how to manage those interactions. But in our area we have not really had those issues. Most of the recoveries are part of a normal and healthy rebounding of those environments.

Senator BIRMINGHAM: Thank you, Dr Gales.

Senator SINGH: I want to turn first to the subject of the Australian Antarctic program’s flagship, the *Aurora Australis*, and ask if you could describe the current status of the lease of the *Aurora Australis* from P&O Polar.

Dr Fleming: Dr Wooding, do you want to explain that?

Dr Wooding: All right. The lease basically extends for another three years, so that is through to the end of the 2014-15 season. Then we have the option to extend it for two further years into 2015-16 and 2016-17.

Senator SINGH: Would it be an option for the Australian Antarctic Division to extend the lease?

Dr Fleming: Yes, it is.

Senator SINGH: So P&O Polar may not wish to decommission or divest the *Aurora Australis* at the conclusion of the current lease? There is that option to go further?

Dr Wooding: They cannot divest it if we choose to take up the two-year option. They are bound to provide it for five years if we choose to take that up.

Senator SINGH: Is the *Aurora Australis* meeting the requirements of the Australian Antarctic Division as it currently stands?

Dr Wooding: Yes, with the proviso that it is an ageing ship. We have had some problems with some aspects of it—-with cranes and some leakage from water and ballast tanks—all of which so far have been able to be repaired, so the ship has not failed to undertake its required operations. But it is an ageing ship, so we are expecting that from time to time there will be problems. But it is certainly fulfilling its contract well.

Senator SINGH: What are the activities of the *Aurora Australis* when it is not on expedition to Antarctica?
Dr Wooding: In recent years it has not been doing a great deal else. The only exception to that is that it has been doing Macquarie Island resupplies in winter for the pest eradication program, which is not for the Antarctic Division but for the Tas Parks eradication. Also, last winter it was hired by the Navy for some training work for their cadets. It went to Macquarie Island as part of that work as well.

Senator SINGH: So if the lease is up in three years and then you may wish to extend the lease thereafter, at what point do you need to start planning about the future beyond that? If you were to require an ongoing lease beyond that with the same existing vessel or if the vessel would be out of date by then and you would need a replacement vessel, when does that planning need to start happening?

Dr Wooding: We are working on that now.

Dr Fleming: Integral to the modernisation project which we talked about earlier is what we do with shipping after the *Aurora Australis* leaves us.

Senator SINGH: What consideration are you giving then to the construction of a replacement vessel by an Australian company or from the Australian shipbuilding industry per se as opposed to a P&O leased vessel?

Dr Wooding: That would be a decision for the government to take. I guess we would consider all options. The shipyard where the *Aurora Australis* was built is no longer in operation, so it is not—

Senator SINGH: Obviously the government made recent announcements in relation to the future submarine project, which is looking at a skills plan over the course of this year in relation to the Australian shipbuilding industry in relation to submarines. So in your discussions about the replacement of the *Aurora Australis* and it being something that could potentially be made and built in Australia, that is why I ask the question.

Dr Wooding: That is a decision for the government. That sort of decision would be taken in the course of consideration of what option would be taken for any future vessel. That would be considered as part of that process, definitely.

Senator SINGH: Can I move now to the airlink. Firstly, how many flights were made to the Antarctic over the last season and is there an average number? Obviously, southern Tasmania, part of my home state, is the home to the Antarctic Division’s departure point for those heading south. Is it expected that fights to Antarctica will continue to depart from the Hobart airport?

Dr Fleming: There are no plans to move the airlink from Hobart. We expect to be flying from Hobart. In the last year there were flights to McMurdo Sound and also flights to Wilkins ice runway. Dr Wooding, do you have the numbers?

Dr Wooding: We had five flights to Wilkins as well as two further flights to McMurdo in support of the Australian Antarctic program by the A319. There were also further flights for other nations, including the US, Italy and Korea. There were nine such flights. They were not from Hobart.

Senator SINGH: Are they using the Wilkins—

Dr Wooding: No, they were using McMurdo, but they were using our airlink A319 aircraft. We derived benefits from that, because those programs give us support in exchange.
Particularly the US support is crucial in our ability to actually open Wilkins Runway, because they helped to fly our crew in there early in the season through McMurdo.

Senator SINGH: So this is the shared nature of the treaty in action?

Dr Wooding: Yes, very much on the logistics side there is a great deal of sharing, especially in aviation.

Senator SINGH: How secure is the future of the Wilkins aerodrome runway considering the expected increase in temperatures?

Dr Wooding: The airlink is running for two more years. We are certainly intending to use the runway for some time to come. There are limitations on its use in the long term due to the changing ice nature in the area. Also, we have experienced in the last few years and will continue in some seasons—not all—to experience subsurface melt of above -5 degrees, which makes it impossible to operate the runway while that is occurring. So all of those factors do limit the long-term use of Wilkins, but the budget has extended the airlink program for two more years and subject to funding and other issues it may well continue beyond that point.

Senator SINGH: The last area I wanted to turn to was the issue of asbestos. I understand that there is asbestos at Mawson, Casey and Davis stations. There has been some removal going on for parts of that for some time. Is there an asbestos management plan in place for these stations and/or a removal plan?

Dr Wooding: When we do remove asbestos, whenever we do any work on buildings down there or any changes to work, we do develop specific asbestos plans for that work. We are very conscious of asbestos and the need to be cautious in dealing with it. We do not have an overall, long-term plan to remove all of the asbestos other than that we want to remove a lot of old material from Antarctica and asbestos would be included. But that is part of a larger plan to remove a lot of old waste building and other material that is no longer needed. Obviously, we are not planning to use asbestos in future. So it is a long-term process.

Senator SINGH: You would not be able to.

CHAIR: Dr Wooding, it is a bit more than just being cautious; it is about actually implementing appropriate measures.

Dr Wooding: That is right, and we have—

CHAIR: Is that what you meant?

Dr Wooding: That is exactly what I meant. We basically develop plans for every job we do down there and we are very conscious of all of the appropriate ways to deal with asbestos.

Senator SINGH: When asbestos is removed, I presume it is removed by a qualified asbestos removalist who is either on staff or brought down to the station. Is that correct?

Dr Wooding: I would have to take that on notice, Senator. I believe so, but I will give you some confirmation on how that is done.

Senator SINGH: When it is removed, where is it taken? Is it taken to McRobies in South Hobart or is it taken to somewhere else?

Dr Wooding: It depends on what the classification of the waste is as to where it would be taken. But we are restricted in where we can take asbestos waste, so it would be taken to an appropriate disposal point. McRobies is only authorised to receive some categories of waste,
so again I would have to take that on notice as to where we would take it as a general rule. But if we can take it there—

Senator SINGH: But it is your understanding that the proper processes are followed in regard to the removal and disposal?

Dr Wooding: Absolutely. We certainly do. I am certain of that.

Senator SINGH: Thank you very much, Dr Wooding.

CHAIR: Senator McKenzie has a brief question, I understand.

Senator McKENZIE: I do, and I really thank the chair for his indulgence.


Senator McKENZIE: Thank you, Minister.

CHAIR: She behaves herself all of the time, Senator Conroy—you have to reward good behaviour. That is something that you would probably not know about.

Senator McKENZIE: It is an experience that I am not sure the minister is familiar with. Did the division make a submission to the Chief Scientist’s examination of the state of science in Australia around the education and higher education aspects?

Dr Fleming: That was preceding my appointment and preceding Nick’s appointment, but I understand that we did make a submission to the Chief Scientist. I do not have knowledge of what was in that submission.

Senator McKENZIE: If you could just provide that on notice that would be great. When I go to the number of scientists active in Antarctica and sub-Antarctica, we have 90. It seems to be decreasing by only 10 over the coming year. Are those 90 the scientists that are directly involved in producing the publications or are the publications also produced by others?

Dr Gales: Yes. The publications are the result of the projects and there will be a group of people who go down and undertake the fieldwork and a whole group of people who deal with the data afterwards and a lot more on the publications.

Senator McKENZIE: Absolutely. Okay. Of the 90, how many are student researchers completing their doctorates or postdoctoral work?

Dr Gales: To give you the exact numbers I would have to take that on notice.

Senator McKENZIE: That would be great.

Dr Gales: I am very happy to provide those. In general terms, we do have a lot of students going down as part of PhD projects in particular. It tends to be at that level that they are participating in the fieldwork and there is a lot of student work back here, of course, in dealing with the data. But we can provide those figures for you.

Senator McKENZIE: Yes, can I have a breakdown of the 90 on page 57. Also, I am assuming that there would be another whole program of visitations down there that would involve a lot of young, budding scientists—in addition, that would be fantastic. Then if we could look at domestic versus international for those postgrads, that would be great.

Dr Gales: We can provide you with information on that. We are building up new PhD programs on quantitative Antarctic science as well, so we can provide you with that information.
Senator McKENZIE: It sounds very exciting. I look forward to reading it. Around the institutions collaborating, I presume the majority of those are international universities?

Dr Gales: It is mostly university-based. There are some other research based organisations, but they are mostly—

Senator McKENZIE: If we could have a breakdown of those as well, that would be great. Thank you.

CHAIR: I thank the Antarctic Division for appearing here today. That concludes the hearings for today. Questions on notice have to be in for Wednesday, 6 June. I thank the ministers and officers for their attendance. I thank Hansard, Broadcasting and the secretariat staff. Thank you.

Committee adjourned at 22:21