

Gas rumblings shake the hill

Community concerns ignite parliamentary debate.

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NOT SEAMLESS: Gas mining splits communities

MPs on all sides of parliament have added their voices to community concerns over the multi-billion dollar coal seam gas industry, with one member of the House of Representatives seeking to boost Commonwealth powers to block any projects which threaten water supplies.

A vocal stoush has developed in recent months between miners and farmers in the coal rich basins of New South Wales and Queensland which have seen an explosion in coal seam gas exploration over the past decade.

Some landowners are angry about being unable to stop exploration on their properties amid concerns coal seam gas mining threatens water resources and food security.

Independent Member for New England (NSW) Tony Windsor has introduced an amendment to the Environment Protection and Biodiversity Conservation Act, which would require companies to notify the Commonwealth if they think a new project will impact on water resources. It would also enable the federal government to intervene and veto projects if it thinks water resources are threatened.

Natural resources belong to states, which are responsible for granting mining royalties and setting regulations. However some major projects need to be approved by the Commonwealth under the Environment Protection and Biodiversity Conservation Act if they are deemed to be environmentally significant.

Speaking in the House of Representatives, Mr Windsor said state laws have not kept up with environmental pressures new developments could pose.

“There is a need for a nationally consistent standard to allow certainty for gas and coal companies at the same time as protecting Australia’s limited water resources,” he said.

LATEST

BABY ALCOHOL DISORDERS INVESTIGATED

The prevalence of foetal alcohol spectrum disorder (FASD) in Australian communities is being investigated by a parliamentary inquiry.

FASD is the term used to describe a range of cognitive, physical, mental and behavioural disorders that result from a baby’s exposure to alcohol when it is still in the womb.

The House of Representatives Social Policy and Legal Affairs Committee will look at what sorts of intervention measures and prevention strategies can be used to combat FASD. It will also examine ways to better manage the issue through access to appropriate care and support services.

A recent inquiry into Indigenous youth and the justice system concluded that FASD was an emerging health problem across Australia and urged the federal government to recognise

FASD as a registered disability. It also proposed a further specific review into the issue.

Several MPs spoke in the House recently in support of a motion calling for more government action to reduce the rates of FASD.

Graham Perrett (Moreton, Qld), chair of the Social Policy and Legal Affairs Committee, told the House around 2.7 babies in every 1,000 will suffer from FASD.

“Babies born with foetal alcohol syndrome face a range of difficulties later in life including lower IQ, developmental delays, behaviour problems, learning difficulties, memory problems ... and increased risk of alcohol and drug misuse,” he said. •

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“If we are serious about food security, we need to protect these water resources.”

Independent MPs Bob Katter (Kennedy, Qld) and Rob Oakeshott (Lyne, NSW) have also raised water supply concerns during questions to the government in parliament.

And Labor MP for the northern NSW seat of Page Janelle Saffin added to the debate when she tabled a petition from her constituents.

“My primary concern is about water,” she said. “I note that often people want the federal government, whoever they are, to fix everything that the states do not do. This is not always possible, but this is an issue we need to tackle.”

Nationals MP Mark Coulton has told the House people in his electorate of Parkes (NSW) are becoming increasingly concerned about coal seam gas exploration.

“While I am not opposed to the coal seam gas industry as such and I believe there is a place for both farming and coal seam to coexist, I think that we need to have a closer look at the safety aspects of coal seam gas mining,” he said.

In response to Mr Katter’s question, Prime Minister Julia Gillard said the government was monitoring the debate over water impacts.

“In order to deal with this issue – billions of dollars of investment, a constitutional position and some

farmers with concerns – what you need to do is be studious, methodical and careful,” she said.

“You have got to make sure that you understand the situation, that you act consistently and that you give the same message to all parties.”

Greens Senator Larissa Waters said her party was in discussion with Mr Windsor over his bill when she introduced a Greens bill into the Senate which would give farmers the right to say no to coal seam gas mining on their land.

“Our bill will be a test for the government and the Coalition on where they really stand on food security and the longevity of our rural communities,” she said.

Mr Windsor would need the support of a major party and several crossbenchers for his bill to pass.

The House of Representatives Agriculture, Resources, Fisheries and Forestry Committee is inquiring into the bill and has asked all Australian governments to provide submissions.

A Senate inquiry into the management of the Murray-Darling Basin has also been investigating the impacts on it of coal seam gas mining. It is due to report by the end of the year. •

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THINKSTOCK

OILS AIN'T OILS: *Support for labelling bill dissolves*

PALM OIL BILL STALLS

Legislation requiring food manufacturers to state whether palm oil is present in a product has been rejected by a majority report of the House of Representatives Economics Committee.

Currently food containing palm oil can be labelled as vegetable oil. While some palm oil is produced sustainably, much of it is associated with deforestation in Indonesia and Malaysia which in turn threatens wildlife such as orang-utans.

During two days of hearings, the Economics Committee heard differing views from the food industry, environmental groups and representatives of the Malaysian government and palm oil industries about the potential impacts of this legislation.

The Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2011 was co-sponsored by independent Senator Nick Xenophon and the Greens and had already passed through the Senate.

But the committee report recommended scrapping the bill because it would not be effective.

According to the report, the states and territories, which have the power to legislate on food labelling, would not be compelled to comply with the law.



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Committee chair Julie Owens (Parramatta, NSW) also said the bill would put Australia at risk of a World Trade Organization dispute with Malaysia and Indonesia, and threaten labelling harmonisation arrangements with New Zealand.

“We understand the strong feelings in the community about palm oil and any link it may have to deforestation and the reduction of orang-utan habitat,” Ms Owens said.

“But the bill will not fix the problem. Instead, it will harm our international relationships with New Zealand, expose us to a WTO dispute, and threaten nationally uniform laws that annually save billions of dollars in costs for consumers and businesses.

“A long-running review sponsored by COAG is already looking into this. We should let the review run its course.”

Coalition committee members issued a dissenting report noting the government supported the bill until recently and recommending the bill not be passed at this time in light of the government’s stance.

Greens MP Adam Bandt (Melbourne, Vic) also released a dissenting report questioning why the bill lost support after passing the Senate.

“It is disappointing that the government is not prepared to support this bill and that the Coalition has altered its level of support,” Mr Bandt said.

“If there are, as the government alleges, barriers to the parliament passing the bill, then the government has the power to remove those barriers, and should do everything necessary to enable labelling of palm oil and the passage of this bill.

“Further, the review of food labelling law and policy has been underway for two years and the rate of reform is frustratingly slow.

“The main driver for food labelling should be conveying information that enables consumers to make informed choices, rather than the demands of the food industry.” •

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DEFENCE DIGITAL MEDIA



BACK TO BASE: Maintenance measures to be implemented

Defence to improve upkeep of bases

Audit recommendations accepted.

The Defence Department has told a parliamentary committee it has accepted the Auditor-General’s advice on how to better maintain its vast portfolio of real estate and property worth \$20 billion.

The Australian National Audit Office (ANAO) reported that Defence faced a \$500 million shortfall over three years in maintaining its 72 major military bases, plus training areas and other military establishments scattered across the country. The annual upkeep of this Defence estate cost taxpayers about \$482 million but, according to the audit office, Defence’s maintenance management has “not been fully effective”.

The ANAO considered Defence should have long-term upkeep plans and condition assessments of base facilities and infrastructure, including engineering services. It warned funding for current estate maintenance was insufficient and this funding shortfall will increase maintenance backlogs and reduce the life of existing assets.

Deputy secretary of defence support Simon Lewis told the Public Accounts and Audit Committee the department welcomed the ANAO report and had accepted the recommendations.

“We will embed the recommendations into our day-to-day processes,” Mr Lewis said.

An earlier Defence budget audit report from 2008 described the Defence estate as an “ageing, complex and costly historical legacy in which investment for maintenance had been decreasing since the 1980s”. It urged Defence to move to fewer “super bases” if they were consistent with strategic planning requirements.

But Mr Lewis told the parliamentary committee that consolidating military bases around Australia was unlikely to save much money in the short-term and most likely require spending more, not less, during any start-up phase.

The upfront costs would include the buying of new sites, repairing of former Defence sites so they could be sold or used for other purposes, and improving the facilities at existing bases where consolidation was to occur.

He told the MPs there would be savings but they would come further down the track. •

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Cap on payday loans

Fees and interest to be reduced.

Government legislation capping fees and interest charged by finance firms issuing short-term loans is being investigated by a parliamentary committee.

These loans are generally of between \$100 and \$2,000 and are regularly used as a stopgap measure by people who have run out of money before their next payday. They often include compulsory charges and interest worth as much or even more than the amount of money lent, leaving consumers at risk of needing to borrow more money to cover repayments.

Introducing the Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011, Assistant Treasurer Bill Shorten told parliament around \$500 million a year was lent in short-term loans.

“At one end it can include small loans in which a person borrows \$300 which must be repaid plus interest a week or two later, on the borrower’s next payday,” Mr Shorten said. “It also covers larger loans up to \$2,000.”

Mr Shorten said the vast majority of short-term loans are sought by low paid workers or people on Centrelink benefits.

“It is estimated that nearly half of payday borrowers have incomes of less than \$24,000 a year, and up to two-thirds earn less than \$36,000.

“We do not believe it is acceptable that these consumers are left to pay exorbitant rates of interest because they have a very urgent need for a small amount of money.”

Mr Shorten said some lenders are charging huge amounts in interest and fees such as \$2,000 on a loan of \$1,000 taken out over a year. These already stretched borrowers then face a real risk of a debt spiral, where their existing loan is extended or rolled over into a new loan.

“Borrowing money at very high interest leaves the underlying financial difficulties unresolved,” he said.

“When the direct debit payment comes out automatically at the next



DEBT TRAP: *Low-income earners caught by high interest loans*

payday, it can leave the borrower with no cash for the next week’s basics, so they have to go and get another loan, trapping them again in a cycle of debt.”

The bill will cap upfront lending fees to 10 per cent of the amount of the loan and then two per cent each month for the life of the loan.

“This cap delivers real outcomes for consumers,” Mr Shorten told parliament. “It ensures that borrowers who are in need of a small amount loan will not face relatively high costs, and will reduce the risk of an ongoing cycle of dependency through the continued use of this form of credit.”

However the chair of the National Financial Services Federation, Mark Redmond, fears many short-term lenders will go bust if the legislation is passed unamended, threatening an important source of funds for hundreds of thousands of Australians.

“We agree with Assistant Treasurer Bill Shorten that vulnerable and disadvantaged Australians should be protected from spiralling into ever larger amounts of debt,” Mr Redmond said.

“We also agree that unlicensed loan sharks should be hunted out of the industry and we are continuing to work with regulators to ensure lenders are licensed and abide by responsible lending rules already in place.

“But the government’s planned cap on fees and charges for short-term loans is too low and if put in place without amendment will send many short-term lenders out of business.”

Mr Redmond also cautioned that the need won’t go away when an authorised lender is put out of business.

“People will need money and there will always be those that are desperate enough to get those funds through loan sharks, backyard means, and the like,” Mr Redmond said.

The legislation will also introduce Australia’s first statutory protection against negative equity to better protect seniors seeking to take out a reverse mortgage on their home.

Reverse mortgage lenders and brokers will be required to meet specific disclosure requirements by walking consumers through the different scenarios before they take out a reverse mortgage.

“The most significant risk to our senior Australians is that they could end up with a debt greater than the value of their home, known as negative equity,” Mr Shorten said.

“For example, they may borrow too much while still relatively young and unknowingly restrict their future choices if they later need to move into aged-care accommodation or have greater health bills.”

Federal parliament’s Corporations and Financial Services Committee is examining the legislation, with more than 40 submissions received. •

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FOREST FLOOR: *High-quality native hardwood still in demand*

Timber mills facing the axe

Shrinking wood supply threatens industry's future.

The northern NSW town of Grafton and its timber mills are feeling the squeeze from logging restrictions that are diminishing the supply of native hardwood logs.

Many mill owners and forestry workers expressed concern about their long-term future when appearing before a parliamentary inquiry into the future of the Australian forestry industry. Local environmental groups also attended to outline the damage already done to forests and to call for more restrictions on logging in state forests.

Andrew Hurford, managing director of Hurford Hardwood, told the House of Representatives Forestry Committee that only 314,000 hectares of Forest NSW's north coast estate of 840,000 hectares is actively managed for timber production, with more than half not available for harvest.

Mr Hurford said a further two million hectares of forests that once supplied timber have been reserved, mostly in national parks.

Timber mill managing director Spiro Notaras, whose mills have been operating around Grafton for nearly 60 years, said his industry's future was being threatened by a dwindling supply of hardwood logs.

His mill once supplied the grey box timber for the Speaker's chair in the House of Representatives chamber from the Bom Bom state forest.

"We've cut most forests in this region two or three times and that's what we are still doing today," Mr Notaras said.

"We are still cutting state forests that we cut 50 years ago and that can still go on for another 100 years and more – it could go on virtually in perpetuity. And that's what a lot of people

don't understand – the eucalypt, it regenerates and it not only regenerates vigorously but it generates a lot of fuel and becomes a fire hazard.

"By thinning out the small logs and the fuel you reduce the fire hazard."

But since the 1970s governments have responded to the concerns of environmentalists by limiting access to state forests that had previously been logged.

"Since 1975 we have seen over 70 per cent of our areas locked up," Mr Notaras said. "For instance, within 150 to 200 kilometres of Grafton probably 60 to 70 per cent of the area has been locked up and made into national parks."

To counter this some Grafton timber industries have diversified into using more plantation timbers. But despite a growing environmental consciousness, Andrew Hurford told MPs the buying public still prefers native hardwood timbers to plantation hardwood timber.

"Green Tree is our brand of plantation product," Mr Hurford said. "It's on our website and we take it to all the shows, everyone says that's fantastic but no one has ordered a stick."

"While we mix it in as a native forest, everyone is perfectly happy to buy it, but when we produce it as a plantation product it's seen as not being the full quid, not the real deal."

Big River Group managing director Jim Bindon said the diminishing supply of hardwood logs had led to their mills in Grafton and Wagga Wagga making the transition to products made from plantation pine.

"At a group level we have two major plywood factories and we process pine and hardwood," Mr Bindon said.

"Basically pine is 90 per cent of our intake and that's a major change from years ago when our company was 100 per cent involved in hardwood or native timbers."

He insists accessing native hardwood timbers to make flooring was still a very important part of Big River's business because it was one of the few areas where they had a competitive advantage over Chinese and European imports.

"Pine grows all around the world whereas native eucalypts only grow here so unfortunately that core competitive advantage has weakened as our

NEWS

percentage of hardwood supply has dropped,” he said.

“Countries from overseas can’t say that they have this eucalypt product. This native eucalypt has a couple of qualities from an appearance point of view – a lot of people like the look of hardwood, whether that be in flooring, stairs or in architectural panels.

“The other thing is we use hardwood for its strength properties because it is an extremely strong and dense timber. Imports from Europe or China just don’t have those traits.”

Not surprisingly some Asian businesses are trying to directly access raw Australian native timbers.

“At the moment I get people from China, Indonesia and Thailand wanting to buy our logs or our raw timber – take it over there and remanufacture it and sell it back here,” Mr Notaras said.

“I could make more money doing that but it’s against my principles so I couldn’t do that. I’d sooner shut than do that. Forestry was set up to employ people in the country – a decentralised industry. Now they want to shut it down – it’s madness.”

Environmental groups at the hearing denied their campaigns were

the primary reason for any decline in the local timber industry.

Carmel Flint from the North East Forest Alliance said much of the decline in the timber industry over the past 10 to 15 years has been the result of falling wood supply from over-logging and mechanisation.

“We have seen a lot of changes to the industry and the jobs have declined regardless of environmental outcomes,” Ms Flint said.

“Some people are innovating. Big River Timbers has the veneer peeler and are trying to use smaller logs and plantation logs and that really has to be the future of this industry.

“So we need to see all the mills move to that kind of equipment to allow them to use small logs and plantation logs.”

John Edwards from the Clarence Environment Centre agreed the supply problems for the timber industry were mostly self-inflicted and said more should have been done decades ago on growing native hardwood plantations.

“The way things are going, every harvest, the trees are getting smaller so it is just unsustainable and we have got to accept that,” Mr Edwards said.

“We should have been planting for saw logs years ago. We have missed a real opportunity with the tax rebates that were offered. And for sheer lack of oversight on behalf of the government we have ended up with a debacle.”

He believed state forest supply contracts were also drawn up on overly optimistic estimates of available timber.

“Or they have logged more than they originally intended because they are absolutely desperate now to get the timber out of the forests,” he said.

“They are logging in areas that shouldn’t be logged. We have had evidence of endangered ecological communities being logged, rainforests logged, mapped old growth logged, a complete disregard of the threatened species prescriptions ... that are outlined in the integrated forests operations agreement.

“There are loopholes in the agreement unfortunately.”•

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TAX COMPLAINTS REDUCED

Complaints against the Australian Taxation Office (ATO) have fallen dramatically and tax refund waiting times have significantly reduced since peaking at the beginning of 2010.

ATO chief operating officer Paul Duffus told a special hearing of federal parliament’s Public Accounts and Audit Committee the ATO has been focusing on improving complaint handling procedures as well as minimising overall complaints.

“The number of complaints has reduced by 91 per cent, and we have no current complaints with the Ombudsman,” Mr Duffus said.

The committee decided to increase its scrutiny of the ATO earlier in the year following a spike in complaints about the revenue collector last year, many related to delays in issuing tax refunds.

Refunds were delayed from the beginning of 2010 while the ATO

undertook a large scale upgrade of its computer systems known as the Change Program.

Subsequent teething problems created a knock-on effect throughout the year and into tax time, leading to some people having their tax refund delayed by more than six months.

The ATO says things are now back to normal, with almost 3.4 million refunds issued by August 21 this year.

The improvement has been shown in a drop in complaints on hand from 4,501 at 30 June 2010 to 962 at 30 June 2011.

However while complaints have dropped, the ATO is currently dealing with more than 3,000 cases involving compromised tax file numbers as it enters the peak period for tax return processing.

Around 300 have been outstanding for more than 90 days, although in most of those cases a new tax file number has already been issued.

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This follows an instance earlier this year where more than 900 compromised tax file numbers were revealed to be outstanding for as much as 12 months.

Tax Commissioner Michael D’Ascenzo (pictured) told the special hearing all of those 900 tax file numbers had since been reissued.

“The average time to reissue a TFN is under 28 days,” Mr D’Ascenzo said. •

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ICE BREAKER: Heavy oil ban to help save pristine environment

Boost for Antarctic protection

Treaties target risks from oil and tourism.

Federal parliament's Treaties Committee has recommended that Australia ratify two international agreements aimed at boosting the protection of the pristine Antarctic environment.

The committee has supported an amendment to the International Convention for the Prevention of Pollution from Ships. The amendment prohibits the use and transport of heavy fuel oils in Antarctic seas.

"Heavy fuel oil pollution poses a particular risk in the cold, pristine Antarctic environment," committee chair Kelvin Thomson (Wills, Vic) said.

"Now is the time to act to stop growing cruise ship activity in the Antarctic from increasing the risk to the Antarctic environment."

Heavy oil spills from ships cruising Antarctic waters occurred in 2007 and

2008. Due to the extreme weather conditions in the region, such spills pose a significant environmental hazard as oil decomposition is very slow. Clean up costs are also significantly higher.

The Australian Maritime Safety Authority will be responsible for enforcing standards through port inspections and by liaising with international partners to ensure ships registered in other countries are complying with the standards.

Without Australian ratification of the treaty amendment, ships carrying heavy fuel oils could operate unregulated in the Antarctic and this could have significant financial and environmental consequences for Australia.

In supporting the amendment, the committee expressed concern that a large proportion of vessels will be exempt from the new standards. These

include vessels engaged in search and rescue operations and ships owned and operated by governments, such as naval vessels, auxiliaries and research vessels. The committee said the Australian Maritime Safety Authority should monitor the number of exempt ships carrying heavy fuel oils in the region to see whether the provisions of the exemption need tightening.

The committee has also supported three amendments to the Antarctic Treaty, to specifically guard against the impacts of encroaching tourism. The amendments will establish an environmental liability regime so that those operating in the Antarctic have enough funds to repair environmental damage they have caused. They will also require tourist operators in the Antarctic to have contingency plans and insurance to pay for medical emergencies occurring in the region. They will also require mandatory regulations relating to health and safety, previously self-imposed by the tourism industry. •

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GLOBAL STOCKTAKE: *Concerns about diplomatic under-representation*

Diplomatic audit

The work of Australia's international diplomatic missions will be examined by a new inquiry into Australia's overseas representation.

The inquiry by federal parliament's Foreign Affairs, Defence and Trade Committee will review the location, staffing and activities of Australia's diplomatic missions, including the use of technology to conduct diplomatic work.

"The use of new technologies offers a range of possibilities and has the potential to enhance Australia's footprint and diplomatic impact in a cost effective manner," said Foreign Affairs subcommittee chair Nick Champion (Wakefield, SA).

While the committee will review ways to improve Australia's virtual diplomatic reach, some experts are concerned about Australia's physical diplomatic presence overseas.

International relations expert Dr Paul Monk told an earlier committee review that Australia's representation overseas is facing "severe incapacitation" due to a relative decline in funding.

The Department of Foreign Affairs and Trade is responsible for running and staffing 89 embassies, high commissions, consulates-general and multilateral missions around the world.

This is less than all but four of the 34 member nations of the Organisation for Economic Cooperation and Development, the members of which average 150 missions.

"Being part of the quite powerful networks associated with the United States and Britain would have led me to think that Australia should have stronger representation rather than being down along with Slovakia and Luxembourg," Dr Monk said.

A research fellow at the Lowy Institute, Alexandra Oliver, has also shared concerns about Australia's diminishing diplomatic representation with the Foreign Affairs subcommittee.

"The glaring example there is India, where we maintain one post in Delhi. In Latin America we have opened a new post in Lima in the last couple of years but we still maintain only five in Latin America."

Mr Champion said increasing Australia's representation overseas would be examined in the context of previous inquiries into Australia's relationship with Africa and a review of the DFAT annual report 2009–10.

"While the committee recommended in the Africa report that Australia's diplomatic representation in Africa be increased, it recognised that a broader review of overseas representation was needed."

Mr Champion said the new inquiry will enable the committee to examine these issues in greater depth. •

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ACCESS TO HUNGARIAN BENEFITS

An agreement between Australia and Hungary to make social security benefits available for 5,000 former Hungarians now living in Australia has won approval from federal parliament's Treaties Committee.

The agreement is one of a number of social security agreements Australia has negotiated with Eastern European countries, from which Australia accepted a significant number of refugees in the decades following World War II.

"The agreement provides access to Hungarian age, disability or survivor's benefit for the estimated 5,000 Australians of Hungarian descent who have an entitlement to any of these benefits," committee deputy chair Senator Simon Birmingham (SA) said.

"The agreement will also mean that people who move between Australia and Hungary during their working life will have their entitlements recognised by both countries."

So far Australia has negotiated 26 social security agreements with other countries, which is important for a multicultural nation with nearly a quarter of its population born overseas and 40 per cent of its aged population also hailing from overseas. The agreements overcome barriers to pension payments, such as citizenship requirements, minimum contribution periods and current country of residence.

Peter Hutchinson from the International Branch of the Department of Families, Housing, Community Services and Indigenous Affairs told the committee there are almost 23,000 Hungarian-born people living in Australia.

This proposed shared responsibility agreement is aimed at addressing gaps in social security coverage for people who have moved between Australia and Hungary. •

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More detail needed on NBN

Six-monthly progress reports sought on rollout.

APFONE



MEASURING UP: Maximising return on investment for taxpayers

The parliamentary committee overseeing the rollout of the National Broadband Network is demanding more detailed information from both the federal government and NBN Co on the actual cost and progress of the multi-billion dollar project.

The first report of the Joint Standing Committee on the National Broadband Network called for six-monthly reports on the progress of the NBN rollout.

The committee wants these reports to use established key performance indicators and performance measures, with the first due at least three months before the committee is next due to report to parliament.

The committee recommended NBN Co publish a detailed account of the impact on timing and budget of the rollout caused by delays in finalising deals with Telstra and Optus.

It also wants NBN Co to publish timeframes for the rollout of NBN

services to regional and remote areas and a commitment to communicate these timings to those areas.

NBN Co should also investigate the impact of the NBN on satellite broadband services, and make contingency plans against any potential reduction of broadband capacity in regional and remote areas as a consequence of the NBN rollout.

The report also called on government agencies to ensure they are ready to deliver services through the NBN, prior to being connected to the new network.

In a dissenting report, the Coalition members of the committee claimed NBN Co lacked accountability and was able to hide too much information behind claims of confidentiality.

These MPs said the committee had been provided with insufficient resources to properly scrutinise NBN Co and the rollout, and that NBN Co had failed to comply with the government's

statement of expectations in several important areas.

In response, committee chair Rob Oakeshott (Lyne, NSW) told parliament those calling for greater scrutiny through monthly or quarterly reports from NBN Co were misinterpreting the role of the committee.

"The majority of committee members, however, recognised that the committee is not a board of directors, that its parliamentary oversight role is broader and that, as its reporting requirements are twice yearly, performance measures reported by NBN Co. should be likewise," Mr Oakeshott said.

He said the political debate around the NBN was obscuring the fact that in his belief the NBN once built will be a significant asset on the financial books of the taxpayer.

"An initial spend on any asset – anything from a house to business investment – can lead to a much larger return in the future if the asset is built efficiently and effectively and if private equity is engaged in the right way at the right time," he said.

"With that in mind, this report flags that the committee ... will seek to satisfy itself about the government's view of where the points of entry are for private investment alongside public investment and to make sure maximum return on the government's investment is secured on behalf of Australian taxpayers."

Mr Oakeshott said while the focus has been on the cost and the complex engineering task of building the NBN over nine years, there are a number of critical secondary issues which should also be prioritised by the government for the NBN to deliver maximum value.

"These include issues such as: Australian content and copyright law, individual privacy and national security, taxation administration, government use of the internet generally, and timely and relevant data collection opportunities that now present themselves." •

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