

Chapter 2

Portfolio specific issues

2.1 This chapter provides an overview of some of the matters raised during the committee's hearings on the Additional Estimates 2017–18. The discussion follows the outcome and agency structure.

Environment and Energy portfolio

2.2 As noted in chapter 1, the committee conducted its examination of the Environment and Energy portfolio over two hearings: Monday, 26 February 2018 and Monday, 26 March 2018.

Department of the Environment and Energy

2.3 The committee commenced its examination of the Environment and Energy portfolio on 26 February 2018 by asking general questions of the Department of the Environment and Energy. The following matters were discussed:

- the department's contribution to the voluntary national review on Australia's progress under the Sustainable Development Goals (SDGs) (pp. 5–6);
- formulating international benchmarks for the environment and energy indicators under the SDGs (p. 6);
- coordination of international efforts in the Pacific region in relation to Australia's response to the SDGs (p. 6);
- the expansion of environment programs in the portfolio (pp. 7–8); and
- staffing arrangements in the department (pp. 8–9).

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth Protected areas, and reducing and regulating the use of pollutants and hazardous substances

2.4 The committee called officers in relation to Program 1.1: Sustainable Management of Natural Resources and the Environment. Matters discussed by the committee included:

- the assessment of projects funded under the Threatened Species Strategy (pp. 57–60, 62–63);
- the department's implementation and monitoring of threatened species recovery plans (pp. 60–62);
- investment in threatened species projects by the corporate sector (p. 62);

- projects supporting outcomes for the greater glider (pp. 63–64, 45–46); and
- Commonwealth funding for projects in relation to the Tamar River in northern Tasmania (pp. 65–66).

2.5 The committee called officers in relation to Program 1.2: Environmental Information and Research. Matters canvassed by the committee included the types of projects funded under the department's National Environmental Science Program (pp. 66–68) and research to assess the size of white shark populations (pp. 68–69).

2.6 Officers were called in relation to Program 1.4: Conservation of Australia's Heritage and the Environment. Matters raised included:

- the change in the International Union for Conservation of Nature's listing of the southern hairy-nosed wombat (pp. 34–35);
- the department's consideration of expert advice in relation to the management of native mammal species (pp. 35–36);
- the export of platypuses to San Diego Zoo (pp. 37–38);
- responses to the recommendations of the Senate Environment and Communications References Committee's report *Toxic tide: the threat of marine plastic* (p. 39);
- current conservation status of the spectacled flying fox (pp. 40–41 and 42);
- the ongoing assessment process and recovery plan for the Leadbeater's possum (pp. 42–44); and
- the Government's response to Japanese scientific whaling in the Southern Ocean (pp 44–45, 47–49).

2.7 Officers from the department were called in relation to Program 1.5: Environmental Regulation. A range of matters were canvassed including:

- the department's investigation into contaminated water run-off into the Caley Valley wetlands at the Abbot Point coal terminal (pp. 70–71);
- the approval of conditions for Adani's Carmichael Coal Mine and Rail Project (pp. 76–78);
- the proposed Toondah Harbour Project in Queensland (pp. 80–81);
- the New South Wales shark net trials (pp. 82–83);
- the scheduled review of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) (pp. 84–85); and
- protection of hooded plovers at the Belfast Coastal Reserve in Victoria (pp. 86–88).

2.8 The committee called officers from the department in relation to Program 1.6: Management of Hazardous Wastes, Substances and Pollutants. Matters discussed included:

- the enforcement of standards for imported small engines under the *Product Emissions Standards Act 2017* (pp. 115–117);
- contamination arising from the use of per- and poly-fluoroalkyl substances (PFAS) and perfluorooctanoic acid (PFOA) (pp. 118–119); and
- China's ban on the importation of certain classes of solid waste (pp. 119–121).

Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to the effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change

2.9 Officers from the department were called in relation to Program 2.1: Reducing Australia's Greenhouse Gas Emissions. Matters canvassed included:

- the Government's release of Australia's emissions projections and targets to the year 2030 (pp. 126–128)
- the level of funding for the Emissions Reduction Fund (ERF) (pp. 128–129);
- new Government policies to reduce Australia's greenhouse gas emissions (pp. 129–131);
- the *Green Vehicle Guide* in relation to the reduction of vehicle emissions (pp. 131–132); and
- emissions projections for various sectors of the economy (pp. 133–134).

2.10 Officers from Program 2.1: Reducing Australia's Greenhouse Gas Emissions were called to appear before the committee at the hearing on 26 March 2018. The following matters were discussed:

- projections of total greenhouse gas emissions for the land sector (pp. 12–13);
- the process to increase action by countries in relation to the 'ratchet' or 'ambition mechanism' under the Paris Agreement (p. 13); and
- the release of the RepuTex modelling report on the effects of state renewable energy targets on the National Energy Guarantee (NEG) (pp. 13–14).

2.11 The committee agreed to put on notice any questions in relation to Program 2.2: Adapting to Climate Change and Program 2.3: Renewable Technology Development.

Outcome 3: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region

2.12 Officers from the department were called in relation to Program 3.1: Antarctica: Science, Policy and Presence. Matters examined included:

- staffing levels in the Australian Antarctic Division (AAD) (p. 49);
- the status and health of krill populations in the Southern Ocean (pp. 49–50);
- funding levels for the Antarctic Climate and Ecosystems Cooperative Research Centre (pp. 50–51);
- Antarctic ice sheet and sea-level projections (pp. 51–52); and
- the project for the new Antarctic icebreaker vessel (pp. 53–54).

Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community

2.13 On Monday, 26 March 2018, the committee called officers in relation to Program 4.1: Energy. Matters discussed included:

- the role of the Energy Security Board (ESB) in the proposed design of the Government's NEG (pp. 2–4);
- the release of the first public consultation paper for the NEG by the ESB (pp. 7, 12); and
- the use of coal-fired and gas power generation as sources of dispatchable energy under the NEG (pp. 10–12).

Australian Renewable Energy Agency

2.14 The committee called officers from the Australian Renewable Energy Agency (ARENA) and canvassed the following matters:

- the funding of projects under the *Demand Response* round and ARENA's focus on distributed energy generation (pp. 71–72);
- the potential impact of the Snowy Hydro 2.0 project on the National Electricity Market (NEM) (p. 75); and
- the Snowy Hydro 2.0 feasibility study and modelling report by Marsden Jacob Associates (MJA) (pp. 72–76).

Bureau of Meteorology

2.15 The committee called officers from the Bureau of Meteorology (BoM) and matters examined included:

- briefings provided by the BoM to ministerial offices in relation to severe weather events (p. 10);

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- monitoring and research into climate change enhanced drought scenarios for southern Australian cities and towns (p. 10);
 - current staffing numbers (pp. 11–12);
 - correspondence received by the BoM questioning the science of climate change (pp. 12–13 and 15);
 - the BoM's engagement with the emergency services community in relation to severe weather events (pp. 13–15 and 18);
 - the accuracy and reliability of the BoM's weather modelling and forecasting services (pp. 16–17); and
 - the impact of increasing ocean temperatures on Australia's economy and biodiversity (pp. 19–20).

Clean Energy Finance Corporation

2.16 The committee called officers from the Clean Energy Finance Corporation (CEFC) and discussed the following matters:

- carbon capture and storage projects and technology (pp. 121–123);
- implications of the proposed NEG for the CEFC (pp. 123–125); and
- the CEFC's involvement in battery storage projects (p. 126).

Clean Energy Regulator

2.17 The committee called officers of the Clean Energy Regulator (CER) and matters examined included:

- the CER's involvement in the design of the NEG (pp. 107–108);
- investment in utility-scale renewable energy projects (pp. 108–111);
- the Emissions Reduction Fund Safeguard Mechanism (pp. 111–112); and
- the price of small-scale technology certificates (pp. 113–115).

Climate Change Authority

2.18 The committee called officers from the Climate Change Authority (CCA) and discussed the CCA's current work program, including the finalisation of reports on coordinating action to reduce carbon emissions on the land, and the National Greenhouse and Energy Reporting system (p. 55). The committee also canvassed the CCA's level of input into the Government's *2017 Review of Climate Change Policies* that was released in December 2017 (pp. 55–57).

Director of National Parks

2.19 The committee called the Acting Director of National Parks, Dr Judy West, and canvassed matters including:

- consultation in relation to the draft management plans for Commonwealth Marine Reserves (pp. 92–94, 103–107);
- the operation of the Kakadu Buffalo Farm (pp. 94–96); and
- implications of possible changes to marine park boundaries that would allow foreign fishing vessels to operate in the Australian fishing zone (pp. 97–102).

Great Barrier Reef Marine Park Authority

2.20 The committee called officers from the Great Barrier Reef Marine Park Authority (GBRMPA). In his opening statement, the Chairman of GBRMPA, Dr Russell Reichelt, outlined some of GBRMPA's recent activities and announcements (p. 22).

2.21 Other matters examined by the committee included:

- the probability of further coral bleaching events on the reef (pp. 22–23);
- co-operation between GBRMPA and the department in relation to raising the profile of concern for coral reef ecosystems internationally (pp. 23–25);
- the restructure of GBRMPA's executive management following the recommendations of the *Independent Review of Governance of the Great Barrier Reef Marine Park Authority* (pp. 25–26);
- the effects of marine plastic pollution on the Great Barrier Reef Marine Park (pp. 26–27);
- rising ocean temperatures and sex-determination in green sea turtles (p. 27);
- the Clump Point Mission Beach boating infrastructure project (pp. 27–28);
- Indigenous hunting of dugongs and sea turtles (pp. 28–30); and
- the euthanasia of sharks caught on drum lines in the Great Barrier Reef Marine Park (pp. 32–33).

Office of the Supervising Scientist

2.22 On 26 February 2018, the committee determined that the Supervising Scientist, Mr Keith Tayler, was no longer required to appear.

Snowy Hydro Limited

2.23 The committee called officers from Snowy Hydro Limited, who appeared at the hearing on 27 February 2018. In his opening statement, Mr Roger Whitby, Chief Operating Officer, provided the committee with an update on the release of the feasibility study for the Snowy Hydro 2.0 project. Other matters canvassed included:

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- consultation with shareholders in relation to the release of the modelling report by MJA into the impacts of the project (pp. 5–6);
 - the assumptions underlying the MJA modelling report and the viability of the project (pp. 6–7); and
 - the estimated total cost of the project including the recovery of capital costs (pp. 7–8).

Communications and the Arts portfolio

2.24 As noted in chapter 1, the committee conducted its examination of the Communications and the Arts portfolio over three hearings: 27 February 2018, 10 April 2018, and 11 April 2018.

Department of Communications and the Arts

2.25 The committee called officers from the Department of Communications and the Arts and discussed the circumstances surrounding NBN Co's decision to suspend the rollout of the Hybrid Fibre Coaxial (HFC) network (pp. 22–35). At the committee's invitation, the recently appointed Secretary, Mr Mike Mrdak AO, briefed the committee on his priorities for the department and the future direction of the portfolio (pp. 45–47).

Outcome 1: Promote an innovative and competitive communications sector, through policy development, advice and programme delivery, so all Australians can realise the potential of digital technologies and communications services

2.26 Officers were called in relation to Program 1.1: Digital Technologies and Communications Services. Some of the matters canvassed included:

- the proposed restrictions on gambling advertising during live sporting events (pp. 34, 41–45);
- the classification of published pornographic material (pp. 34–35);
- the Bureau of Communications and Arts Research's *Demand for fixed-line broadband in Australia working paper* (pp. 35–36);
- access to captioning and audio descriptive services on free-to-air multichannels (pp. 36–38);
- the Government's response to the Senate Environment and Communications Reference Committee's report *Game On: more than playing around—The future of Australia's video game development industry* (pp. 38–41);
- an update on the Mobile Black Spot Program (pp. 47–50);
- the establishment of the 5G Working Group (pp. 50–52);
- NBN Co's average revenue per user (ARPU) targets (pp. 54–56); and
- funding to support the broadcasting of women's and niche sports (pp. 56–57).

Outcome 2: Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression

2.27 The committee called officers in relation to Program 2.1: Arts and Cultural Development and discussed the following matters:

- an update on statutory, board and legislated office vacancies and appointments within the portfolio (pp. 57–58);
- the national consultation process to combat ticket scalping (pp. 58–59); and
- the redeployment of remaining Catalyst funding (p. 59).

Australian Broadcasting Corporation

2.28 The committee called officers from the ABC and discussed the following matters:

- the circumstances surrounding the publication of corporate tax articles by the ABC's chief economics correspondent Ms Emma Alberici (pp. 121–124, 126–129);
- errors and inaccuracies contained in the tax articles authored by the ABC's chief economics correspondent Ms Emma Alberici (pp. 124–126);
- complaints received by the ABC in relation to the published tax articles (pp. 130–134); and
- the ABC's investigation into the conduct of former employee Mr Jon Stephens (pp. 140–142).

2.29 Officers from the ABC were called to appear before the committee at the hearing on 11 April 2018. Matters discussed included:

- the cost of legal advice sought by the ABC in relation to its investigation into former employee Mr Jon Stephens (p. 2);
- ABC's editorial review into the diversity of broadcast news stories (pp. 4–6);
- errors and omissions of fact in the tax avoidance articles by the ABC's chief economics correspondent Ms Emma Alberici (pp. 6–8, and 16);
- the Government's inquiry into the competitive neutrality of Australia's national broadcasters (pp. 11, 14–15);
- the level of funding and public scrutiny of the ABC (pp. 9, 12–16);
- staff retrenchments as a result of ABC management's decision to reallocate resources (p. 15);
- the provenance and verification of cabinet documents obtained by the ABC (pp. 17–23); and
- the ABC's story selection in relation to the cabinet documents (pp. 17–18, 21–24).

Australian Communications and Media Authority

2.30 The committee called officers of the Australian Communications and Media Authority (ACMA) and discussed:

- implementation of recommendations from the ACMA Review (pp. 86–87);
- the Government's media reform package and support for public interest journalism (pp. 87–89);
- the release of the Australian Competition and Consumer Commission's *Digital Platforms Inquiry - Issues Paper* (p. 90);
- the 3.5 GHz spectrum band licences held by NBN Co (pp. 91–92);
- implementation of the new rules to improve the consumer experience of customers migrating to, and using, the NBN (p. 93);
- Telecommunications Consumer Protections (TCP) Code review (pp. 93–94); and
- the impact of any re-allocation and auction of 3.6GHz band on wireless internet service providers (WISPs) (pp. 95–97).

Australia Council for the Arts

2.31 The committee called officers from the Australia Council for the Arts (Australia Council) and discussed the following:

- the impact of funding cuts on the organisation (pp. 67–69);
- the prevention of discrimination, sexual harassment and bullying in the Australian live performance industry (p. 69);
- national representation at the 2019 Venice Biennale (pp. 69–71); and
- Commonwealth funding arrangements for major performing arts companies (pp. 71–72).

Australian Postal Corporation

2.32 The committee called officers from the Australian Postal Corporation (Australia Post) and welcomed the new Group Chief Executive Officer and Managing Director, Ms Christine Holgate, to her first Estimates appearance. In her opening statement, Ms Holgate reported that Australia Post was two-thirds of the way through a strategic review of the organisation and shared some of her insights following feedback from employees, stakeholders and the community (pp. 14–16).

2.33 Ms Holgate also commented that:

...inbound parcels to Australia are up 45 per cent, and 90 per cent of this growth is from China. This is a part of ecommerce that perhaps many people in Australia are not actually seeing. It reflects a significant opportunity for Australia Post, and, while we have a large market share of

the inbound market, we have only a very small market share of the outbound market. It will be very important in the years ahead that we address that, not only because we don't want to make our competitors even stronger but also because it's important that we service the needs of the Australian people.¹²

2.34 Other matters discussed by the committee included:

- growth opportunities for Australia Post's international business in Asia (pp. 16–17, and 19);
- Australia Post's relationship with licenced post offices (LPOs) (pp. 17–18);
- the significance of asset and property sales in relation to Australia Post's financial results and dividends remitted to the Government (pp. 18–19); and
- cost and development of the My Post Digital Mailbox platform (pp. 19–21).

NBN Co Limited

2.35 The committee called officers from NBN Co. In his opening statement, Mr Stephen Rue, Chief Financial Officer, provided the committee with an update on the rollout of the National Broadband Network (NBN), including NBN Co's changes to its wholesale pricing structure and the announced trial to assist with the cost of updating unmonitored medical alarms when connecting to the NBN (pp. 97–99).

2.36 The committee also canvassed the following matters:

- social media comments by senior executive officers of NBN Co (pp. 99–100);
- discussions held with the Government in relation to NBN Co's decision to halt the rollout of the HFC network in November 2017 (pp. 101–102);
- connection of the Prime Minister's personal residence in Sydney and official residence in Canberra to the NBN (pp. 103–104);
- engineering reasons in relation to 'Service Class 0' premises on the Fibre to the Node (FTTN) network (pp. 104–105); and
- redeployment and remediation in relation to the rollout of the HFC network (pp. 105–107).

2.37 Officers from NBN Co were called to appear before the committee at the hearing on 10 April 2018. The following matters were discussed:

- the announcement that Chief Executive Officer, Mr Bill Morrow, will leave NBN Co at the end of 2018 (pp. 2–3);

12 Ms Christine Holgate, Group Chief Executive Officer and Managing Director, Australian Postal Corporation, *Proof Committee Hansard*, 27 February 2018, p. 15.

- the announcement that NBN Co will transfer a portion of its planned HFC network premises into its fibre to the curb (FTTC) footprint (pp. 4–5, 16–18, 22–23, 25–26);
- NBN Co's decision to test 5G spectrum for its fixed wireless footprint (pp. 3–4);
- location and capacity upgrades for congested fixed-line wireless towers (pp. 8–10);
- Sky Muster satellite services offered in regional and remote Australia (pp. 11–13);
- an update on the number of local NBN Co staff engaging with local government and councils (pp. 11–12); and
- the cost and feasibility of mixed technology options for completing the NBN (pp. 4–6, 21–24).

Office of the eSafety Commissioner

2.38 The chair welcomed officers from the Office of the eSafety Commissioner (OeSC). In her opening statement, Ms Julie Inman Grant, Commissioner, provided the committee with a brief overview of the OeSC's activities since its last appearance at Estimates, including the launch of the Image-based abuse (IBA) portal and the OeSC's co-hosting of the Online Safety on the Edge conference with Netsafe NZ in November 2017 (p. 78). Ms Inman Grant also noted that:

Our cyberbullying complaints have increased 34 per cent over the past year, and in the first two weeks of February this year we've seen a 133 per cent spike. That doesn't necessarily reflect an increase in cyberbullying, but rather an increase in the awareness of our office. Our marketing communications effort is something you as a committee have spoken to us a lot about. Since July of last year, the office has been mentioned or quoted in more than 650 media items, reaching a potential of 44 million Australians.¹³

2.39 Other matters discussed included:

- how the OeSC marked Safer Internet Day 2018 (pp. 78–79);
- the OeSC's briefing to the Council of Australian Governments (COAG) in relation to cyberbullying matters (p. 79);
- the correlation between the use of social media and mental health issues arising from cyberbullying (pp. 80–81);
- the OeSC's engagement with social media platforms in relation to online safety and mental health (pp. 81–82);
- the adequacy of funding and resources for the OeSC (pp. 83–84); and

13 Ms Julie Inman Grant, Commissioner, Office of the eSafety Commissioner, *Proof Committee Hansard*, 27 February 2018, p. 78.

- the role of the OeSC in relation to addressing concerns about gaming addiction (pp. 85–86).

Screen Australia

2.40 The committee called officers from Screen Australia and discussed the following matters:

- an update on the Government's Gender Matters initiative and Screen Australia's proposed Code of Conduct to Assist the Prevention of Sexual Harassment in the screen industry (pp. 72–73);
- the gender balance of screen productions funded by Screen Australia (pp. 74–75); and
- Screen Australia's investment in the video games industry (pp. 76–77).

Special Broadcasting Service

2.41 The committee called Mr Michael Ebeid, Managing Director and CEO, Special Broadcasting Service (SBS) and officers of SBS. In his opening statement, Mr Ebeid outlined the results of recent research into the services that SBS provides to the Australian community (pp. 60–61), and was congratulated on winning *CEO* magazine's CEO of the Year award.

2.42 The committee also discussed the following matters:

- the Government's inquiry into the competitive neutrality of Australia's national broadcasters (pp. 61–62 and 64);
- SBS's funding and the disclosure of senior staff salaries (pp. 61–64); and
- future programming highlights (pp. 61–64).

Senator Jonathon Duniam
Chair