

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 2018–19. The discussion follows the outcome and agency structure.

Environment and Energy portfolio

Department of the Environment and Energy

2.2 The committee commenced its examination of the Environment and Energy portfolio on 18 February 2019 by asking general questions of the Department of the Environment and Energy. The following matters were discussed:

- the alignment of responsibilities between the department and portfolio ministers (pp. 4–5);
- briefings provided by the department to the Minister for the Environment in relation to natural disasters in Tasmania and Queensland and the mass fish deaths in the Murray-Darling Basin (pp. 5–10);
- the Minister for the Environment's engagement with stakeholders in the environment portfolio (pp. 10–13); and
- funding mechanisms for potential government underwriting of new energy generation investments (pp. 18–20).

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

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

- Landcare program expenditure (pp. 98–99 and 101);
- the impact of extensions to the NSW and Tasmanian Regional Forest Agreements (RFAs) on threatened species (pp. 100–101); and
- Great Barrier Reef Foundation (GBRF) funding allocations, including co-financed projects and administration (pp. 101–104).

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

- the processes for listing and managing threatened species (pp. 104–106);

- the funding of the Australian Heritage Grants program (pp. 106–107);
- the issuing of export permits for 232 rare and endangered Australian birds between 2015 and November 2018 (pp. 107–112); and
- processes for the management of specific threatened or endangered species, including the Australian sea lion, Tammar wallaby and Leadbeater's possum (pp. 115–117).

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

- stakeholder engagement in relation to the review of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) (p.128);
- storm water releases and compliance with environmental regulations after the recent floods in Queensland (pp. 128–129);
- activities concerning the planned Adani coal mine (pp. 129–135); and
- the department's performance of its regulatory functions (pp. 135–136).

2.6 The committee called officers from the department in relation to Program 1.6: Management of Hazardous Wastes, Substances and Pollutants. Matters discussed by the committee included: progress achieved in developing a national waste strategy (pp. 123–126); and the potential public health impacts of Per- and poly-fluoroalkyl substances (PFAS) (p. 127).

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

2.7 Officers from the department were called in relation to Program 2.1: Reducing Australia's Greenhouse Gas Emissions. Matters canvassed included the Government's emissions reduction targets under the Paris Agreement (pp. 50–55, 58–64); and Australia's representation at the Katowice conference in December 2018 (pp. 56–58).

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

2.8 Officers in relation to Program 3.1: Antarctica: Science, Policy and Presence were called via video conference. Matters examined included:

- the status of negotiations with the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) for new marine protected areas in East Antarctica (pp. 20–21);
- an update on the proposed paved runway near Davis research station in the Antarctic (pp. 22–24);
- the impacts of ocean acidification on krill populations (pp. 24–25);

- construction of the new Antarctic icebreaker, *RSV Nuyina* (pp. 25–26); and
- the department's funding contribution through the Australian Antarctic Division (AAD) to the Antarctic Climate and Ecosystems Cooperative Research Centre (ACE-CRC) (pp. 26–29).

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

2.9 The committee called officers in relation to Program 4.1: Energy. Matters discussed included:

- the engagement of the department in preparation of foreshadowed energy market legislation (pp.64–69);
- government ownership of renewable and non-renewable energy generation assets (pp. 69–71);
- appropriate mechanisms for possible government underwriting of investment in new energy generation assets (pp. 71–76, 76–79 and 82–83);
- progress on behalf of Council of Australian Governments objectives towards achievement of greater energy efficiency in buildings (p. 76); and
- consideration of the regulatory framework required for Australia's first offshore wind farm in Victoria (pp. 79–80); and other offshore renewable energy sources (p. 81).

Australian National Audit Office

2.10 The chair welcomed officers from the Australian National Audit Office (ANAO). The committee discussed matters regarding the recent *ANAO Report No. 22 2018–19 Performance Audit - Award of a \$443.3 Million Grant to the Great Barrier Reef Foundation* (pp. 94–98).

Australian Renewable Energy Agency

2.11 The committee called officers from the Australian Renewable Energy Agency (ARENA) and canvassed the agency's current funding envelope (pp. 92–93); and the potential for future financing of energy generation, such as battery storage, pumped hydro power and hydrogen projects (pp. 93–94).

Bureau of Meteorology

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

- the link between recent extreme weather events in Australia and climate change (pp. 29–30);
- the BoM's funding levels and forecasting resources (pp. 30–31, 33–36);

- engagement with Commonwealth and state emergency services regarding natural disasters (p. 30);
- advice provided to the Government in relation to climate conditions in the Murray-Darling Basin (pp. 31–33, 36–38); and
- the incidence of dry lightning strikes in Tasmania (p. 34–35).

Clean Energy Finance Corporation

2.13 The committee called officers from the Clean Energy Finance Corporation (CEFC). In his opening statement, Mr Ian Learmonth, Chief Executive Officer, updated the committee on the CEFC's recent deployment activity and noted:

These commitments have helped to generate an additional \$1.80 in private sector investment for every dollar committed by the CEFC and have represented direct investments into more than 110 individual transactions. Of all our projects once constructed, we would look to abate something like 230 million tonnes of CO₂. In addition to this, we have helped finance more than 8,000 smaller scale clean energy projects through our co-finance programs with banks and finance companies.⁹

2.14 Other matters raised by the committee included:

- the results of the statutory review into the operation of the *Clean Energy Finance Corporation Act 2012* (p. 85);
- the potential for CEFC involvement in government underwriting of new generation energy investments (pp. 85–86); and
- possible new areas for CEFC investment in the energy market (pp. 86–88).

Clean Energy Regulator

2.15 The committee called officers from the Clean Energy Regulator (CER) and discussed the level of emissions abatements achieved under the Emissions Reduction Fund (ERF) (pp. 88–89); and the potential application of the ERF to the Vales Point generation facility (pp. 89–91).

Director of National Parks

2.16 The committee welcomed the Director of National Parks (DNP). On behalf of the committee, the Chair congratulated Dr James Findlay on his recent appointment as the new Director of National Parks. The following matters were also canvassed:

- the DNP's engagement with traditional owners in relation to the management of Kakadu and Uluru-Kata Tjuta National Parks (p. 119);

9 Mr Ian Learmonth, Chief Executive Officer, Clean Energy Finance Corporation, *Proof Committee Hansard*, 18 February 2019, p. 85.

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- the environmental monitoring of the closure and rehabilitation of the Ranger mine (pp. 119–120); and
 - the Government's \$216 million announcement of funding for the Kakadu National Park and township of Jabiru (pp. 120–123).

Great Barrier Reef Marine Park Authority

2.17 The committee called officers from the Great Barrier Reef Marine Park Authority (GBRMPA). In his opening statement, Mr Bruce Elliot, General Manager and Acting CEO of the Authority, provided the committee with an update on the management activities of GBRMPA and the impact of recent flooding events on the Great Barrier Reef (pp. 38–39). Mr Elliot commented:

We continue to reinforce that strong global action on climate change is essential for the long-term health of the reef. Our focus continues to be on building the resilience of the reef by managing the local and regional stressors to the Great Barrier Reef World Heritage area. Delivery of actions in the reef 2050 plan and the authority's blueprint remain critical and we are both directing our work to these actions and partnering with other stakeholders in these efforts.¹⁰

2.18 Other matters examined by the committee included:

- the potential impacts of thermal and freshwater bleaching on the reef following the recent flooding events in Queensland (pp. 39–41 and 42);
- funding for GBRMPA's reef programs (pp. 41–42);
- reports by the department to the World Heritage Committee on the health of the reef (pp. 42–44);
- an update on the crown-of-thorns starfish control program (pp. 44–45);
- interactions between GBRMPA and the GBRF (pp. 45–48); and
- protection of the hammerhead shark in the marine park (pp. 48–50).

Snowy Hydro Limited

2.19 The committee called officers from Snowy Hydro Limited. The Chair welcomed Mr Paul Broad, Managing Director and CEO of Snowy Hydro Limited, who provided an update on the progress of the Snowy Hydro 2.0 project and the potential impact of the Government's proposed divestment and underwriting reforms in the energy sector (pp. 83–84).

10 Mr Bruce Elliot, General Manager, Acting Chief Executive Officer, Great Barrier Reef Marine Park Authority, *Proof Committee Hansard*, 18 February 2019, pp. 38–39.

Communications and the Arts portfolio

2.20 As noted in chapter one, the committee conducted its examination of the Communications and the Arts portfolio over two days: 19 February 2019 and 6 March 2019. On 6 March 2019, the committee completed its examination of the Australian Broadcasting Corporation (ABC).

Department of Communications and the Arts

2.21 The committee commenced its examination of the Communications and the Arts portfolio on 19 February 2019 by calling officers from the Department of Communications and the Arts. The following matters were discussed:

- the status of the Telecommunications Legislation Amendment (Deregulation and Other Measures) Bill 2017 (pp. 4–5);
- the department's USO Taskforce (pp. 5–6);
- the timeline for finalising the Australian and Children's Screen Content Review (pp. 6–7);
- the provision of audio description (AD) services (pp. 7–8 and 20);
- the Government's partnership with Free TV Australia to provide Australian commercial content to Pacific broadcasters (pp. 9–14, 32–40);
- staff appointments to the ABC (pp. 15–16);
- funding for the National Relay Service (NRS) (pp. 16–19);
- the appointment process for the new Chair of the ABC Board (pp. 20–32);
- NBN Co's forecast dividend and debt repayments (pp. 40–41); and
- the funding and construction of mobile base stations under the Mobile Black Spot Program (pp. 41–44).

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

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

- NBN Co's delivery of wholesale services to business enterprises (pp. 62–63);
- approval process to overbuild fibre in non-NBN greenfield sites (pp. 63–65);
- impediments to the placement of mobile base stations (pp. 65–68);
- an update on Australia Post's business strategy in the face of declining letter volumes (pp. 68–69);
- the impact of the Vodafone-TPG merger on revenues from the 5G spectrum auction (pp. 69–73); and

- the findings of the Government's review of the .au Domain Administration (auDA) (pp. 74–75).

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

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

- current Government policies supporting the arts sector (pp. 79–80);
- programs supporting contemporary Australian music (pp. 80–81);
- Commonwealth funding for the Cooktown 2020 festival (p. 81);
- the Australian and Children's Screen Content Review (p. 82); and
- the \$30 million taxpayers grant to Fox Sports for coverage of women's and niche sports (pp. 82–84).

Australia Council for the Arts

2.24 The committee called officers from the Australia Council. The Minister for Communications and the Arts, Senator the Hon Mitch Fifield, congratulated Mr Adrian Collette on his appointment as the new Chief Executive Officer of the Australia Council. The Minister noted:

I think it's an appointment by the board of the Australia Council that has been universally welcomed in the sector amongst large, medium and small organisations and individual artists. I also recognise that I don't think it has been done before where a member of the board of the Australia Council has transmogrified and transitioned into being the chief executive. He is someone who comes with a very deep understanding of the organisation.¹¹

2.25 Other matters canvassed by the committee included an update on the 'unfunded excellence' grant applications under the Australia Council's new funding program (pp. 75–76); and the establishment of a National Indigenous Arts and Cultural Authority (pp. 76–78).

Australian Broadcasting Corporation

2.26 Officers from the ABC were called to appear before the committee at the hearing on 6 March 2019. In his opening statement, Mr David Anderson, Acting Managing Director, noted the ABC's role in covering recent natural disasters across Australia, commenting:

Community expectations for the ABC and its emergency broadcasting role are high. Our reporters live in the communities they cover. I think our

11 Senator the Hon Mitch Fifield, Minister for Communications and the Arts, *Proof Committee Hansard*, 19 February 2019, p. 75.

employees have done a sterling job despite the strains on resources. They have supplied around-the-clock news coverage both in regional bureaus and metropolitan newsrooms. They have relayed essential information at times and produced sensitive coverage of victims and survivors. They share a commitment to covering big complex issues, like the drought, well after other media have departed.¹²

2.27 The following matters were also canvassed:

- the terms of the settlement reached between the ABC and the former Managing Director, Ms Michelle Guthrie (pp. 2–4);
- the final report of the Government's efficiency review of the National Broadcasters (pp. 4–5);
- the impact of the freeze in the ABC's annual funding indexation for three years from July 2019 (pp. 6–10);
- funding for the ABC's Enhanced Newsgathering initiative (pp. 6–10);
- the cancellation of the ABC's *The Checkout* program (pp. 10–13); and
- the Government's \$17 million package to provide Australian commercial content to Pacific broadcasters (pp. 13–15).

Australian Communications and Media Authority

2.28 The committee called officers from the Australian Communications and Media Authority (ACMA) and discussed:

- the role of the ACMA in regulating nuisance/scam telecommunications (pp. 45–48);
- AM-FM conversions for commercial radio broadcasting services in South Australia (pp. 48–49);
- the design and timing of the 5G spectrum auction (pp. 49–53);
- using the 28 GHz band for wireless broadband services (pp. 53–54);
- the impact of the re-allocation and auction of 3.6GHz band on wireless internet service providers (WISPs) (pp. 55–56); and
- the implementation of the Government's Regional and Small Publishers Jobs and Innovation Package (pp. 57–62).

NBN Co Limited

2.29 The committee called officers from NBN Co Limited (NBN Co). In his opening statement to the committee, Mr Stephen Rue, Chief Executive Officer,

12 Mr David Anderson, Acting Managing Director, Australian Broadcasting Corporation, *Proof Committee Hansard*, 6 March 2019, p. 2.

highlighted the release of NBN Co's financial results for the first-half of 2019. Mr Rue stated:

In the six months to December 2018, our revenue was \$1.3 billion, a 46 per cent increase from the same period a year ago. This was driven by a 38 per cent increase in active premises to over 4.6 million by 18 December, a figure that has continued to increase to over 4.8 million this month. Our premises ready to connect increased by 32 per cent to 8.1 million at the end of last year and well over 8.3 million this month. Our increase in revenue has also been driven by an increase in ARPU, up from \$44 to \$45.¹³

2.30 The committee also canvassed the following matters:

- the recommendations in the Regional Telecommunications Independent Review Committee final report (pp. 99–100);
- NBN Co's launch of the Sky Muster Plus satellite service (pp. 100–101);
- an update on the rates of 'service class zero' premises (pp. 101–104);
- the management of the peak activations period for premises under the National Broadband Network (NBN) (pp. 104–106);
- capacity constraints across the multi-technology platform (pp. 106–110);
- NBN Co's observations on the business strategies of RSPs (pp. 110–116);
- performance testing of modems and routers used to supply NBN services (pp. 116–120); and
- NBN Co's planned transition from the build-phase of the NBN to the operational-phase (pp. 120–126).

Office of the eSafety Commissioner

2.31 The Chair welcomed officers from the Office of the eSafety Commissioner (OeSC). In her opening statement, Ms Julie Inman Grant, Commissioner, updated the committee on the OeSC's cyberbullying scheme, commenting:

We've now responded to 1,100 complaints from young Australians seeking help. We know that these early intervention services are critical. We want to bring the content down to reduce the harm to the child. Since parliament expanded our remit to cover all Australians in 2017, we've also helped more than 800 Australian adults experiencing serious cyber abuse, using our informal powers to provide assistance and guidance. We know that all forms of online abuse are intersectional and two-thirds of these victims are women. We've also continued to successfully administer the only government scheme to combat image based abuse.¹⁴

13 Mr Stephen Rue, Chief Executive Officer, NBN Co Limited, *Proof Committee Hansard*, 19 February 2019, p. 97.

14 Ms Julie Inman Grant, Commissioner, Office of the eSafety Commissioner, *Proof Committee Hansard*, 19 February 2019, p. 84.

2.32 Other matters discussed by the committee included:

- the reviews of the *Enhancing Online Safety Act 2015* and Schedules 5 and 7 to the *Broadcasting Services Act 1992* (pp. 85–86, 87–91);
- the Government's proposed draft Online Safety Charter (pp. 86–87);
- the level of engagement and cooperation between the OeSC and other government departments and agencies (pp. 91–94); and
- the OeSC's involvement in initiatives to promote e-Safety (pp. 95–96).

Screen Australia

2.33 The committee called officers from Screen Australia and discussed Screen Australia's grants budget for 2018–19 (p. 78) and levels of funding support provided to Indigenous filmmakers (pp 78–79).

Senator Jonathon Duniam
Chair