



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

ENVIRONMENT AND COMMUNICATIONS LEGISLATION  
COMMITTEE

**Estimates**

(Public)

TUESDAY, 25 FEBRUARY 2025

CANBERRA

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## **ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE**

**Tuesday, 25 February 2025**

**Members in attendance:** Senators Bilyk, Blyth, Cadell, Chandler, Cox, Darmanin, Davey, Faruqi, Grogan, Hanson-Young, Henderson, Liddle, Payman, Rennick, Roberts, Shoebridge and Urquhart.

## **INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS PORTFOLIO**

### **In Attendance**

Senator Ayres, Assistant Minister for Trade, Assistant Minister for Manufacturing, Assistant Minister for a Future Made in Australia

Senator McAllister, Minister for Emergency Management, Minister for Cities

### **Department of Infrastructure, Transport, Regional Development, Communications and the Arts**

#### **Executive**

Mr Jim Betts, Secretary

Ms Maree Bridger, Chief Operating Officer

Mr James Chisholm, Deputy Secretary, Communications and Media Group

Dr Stephen Arnott PSM, Deputy Secretary, Creative Economy and the Arts Group

#### **Data, Research, Strategy and Net Zero Division**

Mr Andreas Bleich, Acting First Assistant Secretary

Ms Georgia O'Cianain, Assistant Secretary, Bureau of Infrastructure and Transport Research Economics and Bureau of Communications, Arts and Regional Research Branch

#### **First Nations Partnerships**

Ms Bek Hendriks, Acting First Assistant Secretary

Mr David Lindenbaur, Assistant Secretary

#### **Finance, Budget and Governance**

Mrs Cha Jordanoski, Chief Financial Officer

Mrs Jodi George, Assistant Secretary, Financial Management Branch

Mr Andrew Burke, Assistant Secretary, Assurance, Integrity, Risk and Governance Branch

Mr Mike Hogben, Assistant Secretary, Budget Engagement and Strategy Branch

#### **Information Technology**

Mr Jeff Goedecke, Chief Information Officer

#### **People, Culture and Change**

Ms Rachel Houghton, Chief People Officer

Mr Chris Thompson, Acting Assistant Secretary, Communication Branch

Dr Kate Feros, Assistant Secretary, Government Services Branch

Ms Sonia Bradley, Assistant Secretary, Integrated Services Branch

Ms Kylie Donovan, Assistant Secretary, People Branch

#### **Enterprise Resource Planning Program**

Mr Anthony Howatson, Assistant Secretary

#### **Communications Infrastructure Division**

Ms Lisa La Rance, First Assistant Secretary

Ms Victoria Robertson, Acting Assistant Secretary, Telecommunications Resilience Branch

Dr Jason Ashurst, Assistant Secretary, Digital Inclusion and Deployment Branch

Ms Nicolle Power, Assistant Secretary, Universal Services Branch

Ms Shanyin Sparreboom, Assistant Secretary, Competition and Spectrum Branch

Mr Ben Phelps, Assistant Secretary, Broadband and Emerging Communications Branch

#### **Digital Platforms, Safety and Classification Division**

Ms Sarah Vandenbroek, First Assistant Secretary

Mr Andrew Irwin, Assistant Secretary, Online Safety Branch

Mr Andrew Hyles, Assistant Secretary, Digital Platforms, International and Policy Branch

Mr Mitchell Cole, Assistant Secretary, Classification Branch

**Media Policy Division**

Ms Bridget Gannon, First Assistant Secretary  
Ms Margaret Lopez, Assistant Secretary, Media Industry and Sustainability Branch  
Mr James Penprase, Assistant Secretary, Media Reform Branch  
Ms Susan Charles, Assistant Secretary, News and Journalism Taskforce

**Communications Services and Consumer Division**

Mr Samuel Grunhard, First Assistant Secretary  
Ms Kathleen Silleri, Assistant Secretary, Consumer Safeguards Branch  
Ms Karly Pidgeon, Assistant Secretary, Regional Mobile Infrastructure Programs Branch  
Ms Anthea Fell, Assistant Secretary, Post, International Telecommunications and ACMA Branch  
Mr Jason Lange, Assistant Secretary, Regional Connectivity Branch

**Office for the Arts**

Mr Phil Smith, First Assistant Secretary  
Mr Jake Budd, Assistant Secretary, First Nations Languages and Regional Arts Branch  
Ms Marie Gunnell, Assistant Secretary, Cultural Policy Strategy and Program Support Branch  
Mr Jesse Fatnowna, Assistant Secretary, Creative Industries Branch  
Mr Jason Potkins, Acting Assistant Secretary, Screen and Arts Workforce Development Branch  
Ms Alison Todd, Assistant Secretary, Arts Development and Investment Branch  
Ms Ann Campton, Assistant Secretary, Collections and Cultural Heritage Branch

**Australian Broadcasting Corporation**

Mr Justin Stevens, Director of News  
Mrs Melanie Kleyn, Chief Financial Officer  
Mr Gavin Fang, Editorial Director  
Ms Deena Amorelli, Chief People Officer

**Australian Communications and Media Authority**

Ms Nerida O'Loughlin, Chair  
Ms Helen Owens, General Manager, Corporate and Research Division  
Ms Autumn Field, General Manager, Content Division  
Ms Cathy Rainsford, General Manager, Consumer Division  
Mr Michael Brealey, General Manager, Communications Infrastructure Division  
Ms Rochelle Zurnamer, Executive Manager, Gambling and Mis/Disinformation Branch  
Mr Jeremy Fenton, Executive Manager, Unsolicited Communications and Scams Branch  
Ms Tanya Farrell, Acting Executive Manager, Telecommunication Safeguards and Numbers Branch  
Ms Alana Fraser, Executive Manager, Content Safeguards Branch  
Ms Sam MacCready, Executive Manager, Finance, Reporting and Operations Branch  
Mr Chris Worley, Executive Manager, Spectrum Planning and Engineering Branch  
Mr Robert Crofts, Executive Manager, Spectrum Allocations Branch

**Office of the eSafety Commissioner**

Ms Julie Inman Grant, Commissioner  
Ms Heidi Snell, General Manager, Regulatory Operations Group  
Ms Kathryn King, General Manager, Technology and Strategy Group  
Mr Bryan Downie, Executive Manager, Investigations Branch  
Mr Richard Fleming, General Counsel  
Ms Kelly Tallon, Executive Manager, Industry, Compliance and Enforcement Branch  
Mr Paul Clark, Executive Manager, Education, Prevention and Inclusion Branch

**Special Broadcasting Service**

Mr James Taylor, Managing Director [by video link]  
Ms Nitsa Niarchos, Chief Financial Officer [by video link]  
Ms Clare O'Neil, Director, Corporate Affairs [by video link]  
Ms Mandi Wicks, Director, News and Current Affairs [by video link]  
Mr David Hua, Director, Audio and Language Content [by video link]

**Creative Australia**

Mr Adrian Collette, Chief Executive Officer  
Mr Robert Morgan, Chair, Australia Council Board

**Australian Postal Corporation**

Mr Paul Graham, Group Chief Executive Officer and Managing Director  
Ms Jane Anderson, Executive General Manager, Community, Sustainability and Stakeholder Engagement  
Mr Nick Macdonald, General Manager, Corporate Secretary and Board

**NBN Co Limited**

Ms Ellie Sweeney, Chief Executive Officer  
Mr Phillip Knox, Chief Financial Officer  
Mr Gavin Williams, Chief Development Officer, Regional and Remote  
Mr Dion Ljubanovic, Chief Network Officer  
Ms Anna Perrin, Chief Customer Officer

**Classification Board**

Mr Steven Thomson, Director  
Mr Dominique Irlinger, Board Member

**National Museum of Australia**

Ms Katherine McMahon, Director  
Mr Rohan Haslam, Acting Deputy Director, Corporate

**National Gallery of Australia**

Dr Nick Mitzevich, Director

**Committee met at 09:00**

**CHAIR (Senator Grogan):** Good morning. I declare open this hearing of the Environment and Communications Legislation Committee into the 2024-2025 additional estimates. I begin by acknowledging the traditional owners of the land on which we meet and pay our respects to elders past, present and emerging. The committee's proceedings today will begin with corporate matters and general questions to the communication and the arts portfolio. The committee has fixed Monday 24 March 2025 as the date for the return of answers to questions taken on notice. Under standing order 26, the committee must take all evidence in public session, and this includes answers to questions on notice. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence.

The Senate has endorsed the following test of relevance of questions at estimates hearings: any questions going to the operation or financial positions of the department and agencies which are seeking funds in estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees, unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and should be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution does not preclude questions asking for explanation of policy or factual questions about when and how policies were adopted. Witnesses are reminded of the Senate order 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.

(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).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

*(13 May 2009 J.1941)*

(Extract, Senate Standing Orders)

**CHAIR:** I remind all senators of their obligations under the Behaviour Code for Australian Parliamentarians to treat witnesses with dignity, courtesy, fairness, and respect. An officer called to answer a question for the first time should state their full name and the capacity in which they appear.

**Department of Infrastructure, Transport, Regional Development, Communications and the Arts**

[09:03]

**CHAIR:** I now welcome the Hon. Jenny McAllister, Minister for Cities and Emergency Management representing the Minister for Communications. Minister, would you care to make an opening statement?

**Senator McAllister:** No, thank you, Chair.

**CHAIR:** I also welcome Mr Jim Betts, Secretary of the Department of Infrastructure, Transport, Regional Development, Communication and the Arts. Mr Betts, would you like to make an opening statement?

**Mr Betts:** No, thank you, Chair.

**CHAIR:** Before we begin with corporate questions, I remind senators that this part of the program relates to matters concerning central departmental administration, such as building services, ICT, staffing levels and media

procurement. Questions relating to individual policies and programs should be addressed to officials when those specific programs are considered in our subsequent sessions. Let us get started.

**Senator CADELL:** Just on perfunctory matters, under FOI 25083 there was a request for electorate briefs, to which the answer came back: 'They no longer exist or get done.' Given that the previous government was aware that they were getting done previously, is there any similar type of document that gives electorate summaries of policies you are preparing, if it is not called an 'electoral brief'?

**Mr Betts:** No. As a matter of general policy, we do not prepare briefing notes based around electorates. We might use 'local government area', but not electorates.

**Senator CADELL:** Do they have a name, the local government areas ones? Are they just called 'local government area briefs'?

**Mr Betts:** No. In providing briefing notes for ministers, from time to time we may provide them with geographically specific information, but it will be tied to local government area rather than electorate. It is just one of those lines that we draw to prevent creeping politicisation of the Public Service.

**Senator CADELL:** That is what we trying to get to. So they don't exist; there is no version of anything like an electoral brief?

**Mr Betts:** As far as I am aware, that is the case. If anybody wants to contradict that, we will come back to you during this session. That is my understanding of the way the department operates.

**Senator DAVEY:** I might get told to come back at a different stage, but I don't want to miss out on my opportunity to ask about where the legislation for content quotas on streaming services is up to. The department is meant to be briefing the legislation.

**Mr Betts:** That is an outcome 5 issue; it is not a corporate issue.

**Senator DAVEY:** That's fine. I will come back during outcome 5.

**Mr Betts:** Streaming services quotas are either outcome 5 or outcome 6. You can do it this morning if you like. The relevant officials are here.

**CHAIR:** Senator Henderson, do you have any questions in this area?

**Senator HENDERSON:** Not in this section, Chair.

**Senator HANSON-YOUNG:** What level of consultation has the department been having with the eSafety Commissioner, specifically on age verification? I know there will be a period there, but I want to know what the process is across the department, and what infrastructure exists within the department to ensure proper, robust, full and frank advice and consultation.

**Mr Betts:** Chair, are we finished with corporate matters?

**CHAIR:** No, we haven't. That matter will fall into outcome 5.

**Senator HANSON-YOUNG:** It is not about what the consultation is. I am asking: what is the infrastructure, what is the process? What has been put in place in the department to ensure that there is full and frank advice and consultation with the eSafety Commissioner as a separate agency?

**Mr Betts:** Is it a question about IT? When you say 'infrastructure' what do you mean?

**CHAIR:** Is this about which elements of the department are working together across the department; is that where you are going?

**Senator HANSON-YOUNG:** Yes. Surely it is not just one person's job, is my point.

**CHAIR:** Is it broader than outcome 5?

**Senator HANSON-YOUNG:** Yes, I think so. It is about how you run the department.

**Mr Betts:** Okay. We will answer that. We have corporate staff here, if we have questions on policy matters.

**CHAIR:** If you are happy to cover that question in outcome 5, we can move on to outcome 5 and cover that question there.

**Mr Betts:** Straight away, as far as I am concerned. It depends on whether senators have other questions.

**CHAIR:** Did you have any other corporate questions?

**Senator HANSON-YOUNG:** I do, although we might have the same problem.

**CHAIR:** Let's roll through them: as long as we have a commitment that we'll deal with them in section 5, then we'll be okay. We will roll through the questions just in case there are corporate questions. Then we can dismiss Corporate.

**Senator HANSON-YOUNG:** Is there some cross-departmental group or process by which consultation and feedback with the eSafety Commissioner occurs?

**CHAIR:** Senator, we have decided to move that into 5; Mr Betts said they will cover that there. Do you have other corporate questions?

**Senator HANSON-YOUNG:** Have there been any briefings in the department in recent weeks in relation to the impact of Donald Trump's presidency?

**Mr Betts:** That is also outcome 5.

**Mr Chisholm:** I assume that is outcome 5.

**Senator HANSON-YOUNG:** How can that be outcome 5, when the Trump presidency impacts on the News Media Bargaining Code, it impacts on social media bans, and it impacts on streaming?

**Mr Chisholm:** All those issues relate to outcome 5.

**CHAIR:** Just to be clear, outcome 5 is 'to promote an innovative and competitive communications sector through policy development advice and program delivery'.

**Senator HANSON-YOUNG:** I don't want to get to outcome 5 and ask you about Trump's impact on Australian content rules and be told that it is the wrong outcome. I am asking across the board. Surely your department has to discuss, and is preparing for, how to deal with a Trump presidency across all of your portfolio issues, not just in isolation. If you are doing it in isolation, I would like to know that, because that is concerning.

**Mr Chisholm:** All those issues are scheduled to be addressed in 10 minutes. We are currently in corporate matters.

**Senator HANSON-YOUNG:** So there is no corporate discussion, briefing, or organisation going on about the impact that the US Administration is having on Australian policy?

**Mr Chisholm:** There was a definition of what falls into the corporate part of the evidence this morning. The issues you are raising are more policy-related, and are handled in my group.

**Senator HANSON-YOUNG:** Have any staff been employed to look at the impact of the US Administration on Australian communications, arts and media policy?

**Mr Betts:** No, not specifically.

**Senator HANSON-YOUNG:** No staff have been appointed to a role to deal with that issue?

**Mr Chisholm:** It is part of ongoing business in the group. Again, it is outcome 5.

**Senator HANSON-YOUNG:** So no staff member has been appointed, or no extra resources are being spent on dealing with the impact of the US Administration on Australian policy?

**Mr Betts:** No we don't change departmental resourcing in the light of world events. There are policy areas, which we will talk about under outcome 5, which are affected by the international situation, including in the US, but that doesn't involve any supplementary staff.

**Senator HANSON-YOUNG:** What about funding? Has there been any extra budget allocation or change of budget allocation, given the impacts?

**Mr Betts:** Of the Trump Administration? No.

**Senator HANSON-YOUNG:** What is happening with the gambling advertising reform legislation? Has there been any drafting work, or have any directions been given to the department, in relation to that on a corporate level?

**Mr Betts:** It is dealt with under outcome 5 by the communications and media group, headed by Mr Chisholm.

**Senator HANSON-YOUNG:** So you haven't had to allocate, or reallocate, any resources to that issue?

**Mr Chisholm:** It is an ongoing stream of work as part of outcome 5.

**Senator HANSON-YOUNG:** The inquiry by the Joint Select Committee on Social Media and Australian Society reported earlier this year. The majority report called for the government to deal with the jurisdictional issues to ensure that, if we are going to put regulation in place—whether it is on scams, on social media, on the News Media Bargaining Code, or on streaming—we have the right jurisdiction. Surely that comes under some type of overarching corporate response?

**Mr Chisholm:** Senator, it is really simple. It is all dealt with as part of the communications and media group. We can talk at length about those issues, but it is a different section.



**Senator HANSON-YOUNG:** That's fine, if you are not putting on staff and if you are not asking for or allocating new funding; we can talk about the details. But at this point you are saying that no extra funding has been put toward, and there has been no re-allocation of, funding within the overall budget or shifting of staff to deal with the jurisdictional issues?

**Mr Chisholm:** The government has funded the group to focus on online safety and related issues. That is part of ongoing business and important priorities, including issues such as age limits and the response to the Online Safety Act Review and close cooperation with the eSafety Commissioner. That is, again, outcome 5 related policy work, program work. It is not a matter of providing funding to reflect changes in administrations in other jurisdictions. We have that funding already.

**Senator HANSON-YOUNG:** I am asking about the response to the government-chaired select committee that called for this recommendation.

**CHAIR:** Senator Hanson-Young, the department has been clear that it is an outcome 5 series of questions.

**Senator HANSON-YOUNG:** We will have a lot to talk about in outcome 5! I am just putting it on the table that a lot of these issues cut across other parts of the department. It is not just communication and it is not just media; it is also arts. So I don't want to get to outcome 5 and be told that 'we cannot ask the questions'.

**Mr Chisholm:** All the issues you have mentioned are communications and media group. There are crossovers with arts in relation to streaming. Minister Burke and Minister Rowland are jointly responsible for that issue. Everything else you have raised is outcome 5.

**Senator HANSON-YOUNG:** So you are telling me you won't give me a non-answer in outcome 5 when I ask questions about streaming and the impacts of the US?

**Mr Betts:** The deputy secretary for the arts is in the room and can come to the table to answer that under outcome 5.

**Senator HANSON-YOUNG:** Very good. Thank you.

**CHAIR:** Any more corporate questions? No. I will now release the corporate section.

[09:15]

**CHAIR:** I will call officers from the department in relation to outcome 5, program 5.1: Digital Technologies and Communications Services.

We will start with Senator Hanson-Young. We will do 10-minute blocks. We will be sticking to time today for all the reasons the committee is well aware of.

**Senator HANSON-YOUNG:** I am happy for you to go to the opposition first.

**CHAIR:** Senator Davey.

**Senator DAVEY:** I'll start, since I also got told to come back for outcome 5. Minister, can you give us an update with respect to the Labor Government's promise to deliver to legislate for content quoters on streaming services? The legislation was due to commence by 1 July 2024. We are now in February 2025, and we are yet to see any legislation.

**Senator McAllister:** I think we have indicated publicly and in this forum that this is taking longer than we would have hoped, but the government is continuing to progress this work. I'll ask officials to step you through where that's up to.

**Dr Arnott:** Thanks, Senator, for your question. Yes, the minister is correct; we continue to work on the government's policy; we continue to consult with stakeholders; we continue to refine a model for the regulation, but the government has not yet made a decision on the final policy.

**Senator DAVEY:** If I can just check the time line, prior to the last election Minister Burke promised that a Labor Government would introduce Australian content quoters for SVOD. Post election he declared the time line of 1 July 2024. A draft consultation paper was released towards the end of 2023; and to read that draft consultation paper any stakeholders were required to sign nondisclosure agreements. I understand that further discussions went on in early 2024, and the feedback I've had from stakeholders is that it has all gone quiet since then. Given that so much work was going on, why has there been such a delay for something that other countries have introduced around the world? We have got content quotas in Canada, content quotas in France, and we are still waiting on Minister Burke's own deadline—it's been and gone. We're not hearing anything about it. Is there still a commitment to deliver content quotas post election?

**Senator McAllister:** I can ask the officials to talk about the work that's ongoing. I will refer you to my earlier answer. This is taking longer than we had hoped. However, the government is committed to this course of action, and work is underway to develop the necessary arrangements.

**Dr Arnott:** Yes, that's correct.

**Senator DAVEY:** Can I also ask: last year we saw commitment for the production offset rebate. Has legislation been drafted to facilitate that?

**Dr Arnott:** That's a matter for Treasury. They look after the Income Tax Assessment Act, and the timing of the legislation is a matter for them. I am not aware of where that's up to, but the government has made the commitments to make those changes, that's correct.

**Senator DAVEY:** So my question about the timelines I should take to Treasury?

**Dr Arnott:** That's correct.

**Senator DAVEY:** Because I know that producers out there are waiting, and there are investment decisions on standby while we wait for this government to deliver on its promises.

**Dr Arnott:** I understand; yes.

**Senator DAVEY:** I have no further questions on that topic.

**CHAIR:** Senator Darmanin.

**Senator DARMANIN:** I just want to talk about the Broadcasting Resilience Program. Can you just outline, please, the purpose of this program and what has been delivered?

**Mr Chisholm:** Thanks for the question. We will get some additional officials to the table to assist you with that. The program provides critical funding and services in support of the transmission of broadcasting, particularly with respect to the ABC, during natural disasters and other events. I'll just ask whether Ms Gannon or Ms Lopez would like to add to the answer.

**Ms Lopez:** The Broadcasting Resilience Program is providing \$20 million over three years to improve the resilience of 98 ABC broadcast sites which are used for emergency broadcasting and which are at greater risk of failure due to natural disasters. This includes emergency power backup batteries and upgraded satellite inputs for ABC AM and FM radio sites across Australia. The BRP is also funding five mobile broadcast assets that can be transported to affected sites at short notice in the event that broadcast transmission fails. This includes during power outages caused by severe weather. The NBAs also serve as a power supply to charge essential devices, and will be housed at five strategic locations across the country. This includes: Bald Hills, Brisbane, which will serve south-eastern Queensland and north-eastern NSW; Gungahlin, Canberra, which will serve the Australian Capital Territory, southern New South Wales and eastern Victoria; Hamersley, Perth, serving Western Australia; Mount Bellenden Ker, northern Queensland, serving northern Queensland and the Northern Territory; and Pimpala, Adelaide, serving South Australia and Western Victoria.

Senator, these sites were chosen based on previous natural disasters and ease of access to the region, as well as the ability to service and store these units between events. As at 31 December 2024, 124 projects have been completed over those 98 sites. These upgrades, when completed, will impact a population of more than 800,000 residents in regional and remote areas across Australia.

As at January 2025, the program has already ensured over 4,500 hours of additional content making it to air. For example, in October 2024 a major storm, with high-speed winds and large hail, damaged critical infrastructure leaving Broken Hill and surrounding communities without power. The BRP upgrade provided an additional 56 total hours of support for the Menindee community and also 60 total hours for Wilcannia.

**Senator DARMANIN:** You said 4,500 additional hours of broadcast, which would not have been possible without this new infrastructure?

**Ms Lopez:** That's correct, Senator.

**Senator DARMANIN:** That's fantastic. You talked about the five mobile power supply areas. Can the mobile broadcasting assets be deployed to any location?

**Ms Lopez:** It's those locations that I mentioned. Around the country, those five locations will ensure that they can be moved around to various locations, yes.

**Senator DARMANIN:** Do you know whether the government is considering an extension of this program?

**Ms Lopez:** That is a matter for government. This program is due to be completed by April this year. Any extension is a matter for government.

**Senator DARMANIN:** What, if anything, did the coalition government do to support the resilience of broadcast infrastructure?

**Ms Lopez:** Senator, the BRP was established by this government as part of its Better Connectivity Plan to improve mobile coverage and increase the resilience of communication services. This was funded in the October 2022 budget.

**CHAIR:** Senator Cadell.

**Senator CADELL:** I am reading in the papers—I have a copy of the release now—that the minister issued an announcement regarding the Universal Outdoor Mobile Obligation. I am trying to get up to speed as quickly as I can as I read through it. It states that it, '...will require mobile carriers to provide access to mobile voice and SMS almost everywhere across Australia.' It says 'almost'. Is there a definition? I imagine if this is LEOs then it is everywhere. Is the 'almost' just a get-out-of-jail-free card?

**Senator McAllister:** Thank you for the question. I will ask the officials to talk through the technical detail that you have requested. I think it is worth making the point that this is a very significant reform from a telco perspective. I think that Australians will know that there's long been a universal service obligation in relation to terrestrial services. That needed to be brought up to date. Telecommunications technology has changed enormously. The government has done a very significant amount of work. Minister Rowland, as you've noted, is wanting to progress this because of the significance of these issues for Australians, particularly in remote and regional communities. I'd make the point also, just in terms of my other obligations as the Minister for Emergency Management, that it's a really significant decision in terms of ensuring connectivity in a much broader range of places and circumstances, as well as providing a very significant degree of resilience in emergency situations. I will ask Mr Chisholm to directly address your question.

**Mr Chisholm:** Thank you for your question. As the minister said, it is a very exciting development in the government, signalling to the market that it is prepared to support the deployment of new satellite technology to achieve much greater coverage and support across a country such as Australia. As you know, at the moment as part of the fixed system we have only about 30 per cent of the land mass is covered. The large, phased array effect of LEOsats technology means that we can achieve much more coverage in support of things like universal service obligations but also broader connectivity. One of the really interesting examples of how we saw this deployed recently was during the Los Angeles fires and the role that Starlink played with T-Mobile to ensure that a large number of people were able to communicate with each other and with professionals within emergency services in a way that they wouldn't have been able to with the existing system.

The Universal Outdoor Mobile Obligation will be a very significant signal to the market that the government is supporting that technology. We want to see that market develop. We'll work closely with industry to achieve that outcome. On the question of the actual numbers and the coverage, I'll ask the officials to step through that. We're really delighted to finally see this one announced.

**Ms La Rance:** The 'almost' bit relates to the fact that you still need to be able essentially to see the sky. So if you are inside a building—

**Senator CADELL:** Caves.

**Ms La Rance:** Yes, caves. But if you go out to the front of the cave you should be able to get the coverage in places, such as out in national parks or, as Mr Chisholm said, the vast areas of Australia where you're currently in between mobile phone towers.

**Senator CADELL:** So it doesn't need to be mapped because it's everywhere where you can see the sky; is that right?

**Ms La Rance:** That's right, essentially.

**Senator CADELL:** With the previous USOs, a lot of it on mobile coverage was to make sure that telcos go out quickly, fix the towers and have this. Is that going to be wound back at all, because unintended consequences of 3G have been that there is no intent to wind back in that regard?

**Mr Chisholm:** No.

**Ms La Rance:** There's definitely a role for both in the Australian landscape. For example, the services available to the LEOsats will grow over time. So to start with, it is SMS, then voice, then data. It will really bridge that gap where you don't currently have connectivity.

**Senator CADELL:** Getting to that point, I spoke to a telco person this morning about this and they said that there was no technical liaison or consultation with them until last week in terms of how this would happen. What

did the department do? There's great intent; there's no question here. What certainty do we have that 2025 legislation with a 2027 rollout is achievable?

**Mr Chisholm:** We do work with industry on the broader series of policy questions related to the future of LEOsats technology. I chair a working group with industry, experts and government representatives on LEOsats. We provided a report to government late 2023, which highlighted a number of the areas for action for government to which this relates. And also the RTIRC, the Regional Telecommunications Review, which was released just before Christmas, pointed to this work as an important contribution to achieving the connectivity outcomes that Ms La Rance stepped through. We have that extensive consultation with communities through the RTIRC, and industry is part of the LEOsats working group. One of the issues to be aware of in this context is that each of the telecommunications companies has its own commercial relationships. It's really important that we bear that in mind when we talk to them about future government announcements, because they need to think about that in the context of their own negotiations; for example, Optus with Starlink.

**Senator CADELL:** And Telstra with Starlink.

**Mr Chisholm:** We will work closely with them as the policy is rolled out and implemented over the coming 18 months to two years.

**Senator CADELL:** As it goes forward. You mentioned Starlink. They seem to be the only full coverage lower LEOsats at the moment. I might be putting words in Senator Hanson-Young's mouth, but I imagine she would be thrilled to have all her conversations carried over Elon Musk's network, from that perspective. Are we driving, under this obligation, the commercial realities of all our telcos to do business with one organisation at the moment? I know there are plans under NBN. There has been talk about their own LEOs, but they won't be ready until 2027. Are we driving everyone to one organisation, one monopoly, at the moment, with this policy?

**Mr Chisholm:** No. I would say it's the opposite. By the government signalling that it wants to see a universal outdoor mobile obligation, it is sending a strong signal to the market that it also wants to see competition and it wants to see other entrants playing a role. There are European participants in the market. As you mentioned, there are other companies, both American and non-North American, that are emerging in the LEOsat context. If the government didn't commit to a policy framework like this, we would likely see incumbents continue to do well, which is fine, but we also want to see new entrants. Hence, the government is getting ahead of the curve in terms of the new technology, in a way. That's something of a world first, I think.

**Senator CADELL:** You say 'world first'. You mentioned direct-to-device technology. Have there been any live trials of direct-to-device technology in Australia?

**Mr Chisholm:** We are doing trials.

**Ms Power:** Not currently of direct-to-device. We are undertaking some independent LEOsat based voice trials currently, which have informed some of the universal mobile coverage work. Certainly, there is a lot of experience internationally, which we have been drawing from.

**Senator CADELL:** But none in Australia. You've announced in a press release today that this is only possible thanks to LEOsat and direct-to-device, but no trials, to date, of direct-to-device have happened in Australia.

**Ms La Rance:** I can add to that. There are two different elements to the LEOsats. LEOsats are a newer technology. We do have the voice trials underway to understand how that's working in practice. As Mr Chisholm said, we have a working group where we are working with providers and understanding the lived experience. We can talk more about the experience with the fires in the US.

**Senator CADELL:** I looked at that. I want to know about the trials and the technical side. As I said, there is good intent. But when industry are saying they only found out about this last week, and when there have been no trials of direct-to-device and the ability to deliver what is promised, it looks a little bit like Optus have made their own announcements and Telstra have made their own announcements. Are we just jumping on something without having a look? Has there been a feasibility study on the business case? For example, when Mr Chisholm mentions that there might be other players in LEOsats, do we have any reality that we will have full LEOsat coverage from any competitor to Starlink by 2027, when this comes in? Is that study being done?

**Ms La Rance:** The intention of announcing that we are bringing in the Universal Outdoor Mobile Obligation is to allow sufficient time to work with the mobile network operators on how it will work in practice. The government is also working with the sector to understand the technology, where it's up to, and to broaden the market. As you said, there is one player that is demonstrating in other locations that the technology works. This is about making sure that it's accessible to all Australians, wherever you are.

**Senator CADELL:** We haven't done the technical studies of one aspect of it. We hadn't engaged with industry on it until last week. We haven't done the cost impacts of it. What's the announcement here: something we would like to see?

**Mr Chisholm:** The announcement sends a very clear signal to the market that we want to see D2D services delivered in Australia. It's really important, whether you're talking about telecommunications or energy or other infrastructure, that you get very clear signals from government about what it wants to see and that government is keen to support and work in partnership with the sector on that. There are both broader incentives and the incentive underpinning this framework to encourage that. There are other entrants and competitors that are emerging in relation to D2D, including Lynk, which has an agreement in place with TPG and other companies, such as AST SpaceMobile. That's really exciting. The policy will send that clear signal, and we will be working closely with industry to deploy the technology in the future.

**Senator CADELL:** I get that, but, given that the minister has recently raised some problems around sovereignty issues for LEOsats here and you can't name one LEOsat business, other than Starlink, that will have full coverage by the time this USO comes in, what's going on here?

**Mr Chisholm:** Starlink is already providing services in Australia. Consumers have voted with their feet in relation to Starlink; it's had very significant uptake. It is very popular—

**Senator CADELL:** I am a Starlink user. I don't have a problem with it.

**Mr Chisholm:** including in regional communities, in remote communities, who rely on Starlink for connectivity. Starlink also played a really valuable role, as we highlighted, in the context of natural disasters in North America. We want to encourage all of the above. We are keen to see Starlink continue to play that role. We're also keen to see other competitors in the market. As I say, this is the government getting ahead of the curve and encouraging that competition and that innovation, to the benefit of all Australians.

**Senator CADELL:** I am sure Senator Hanson-Young will ask questions about Trump: 'Did President Trump phone up and say, "

Give Elon all your business"?' We will hear whether that is the next question.

**CHAIR:** I have one follow-up before we go to Senator Hanson-Young. I was going to ask a series of questions, but Senator Cadell has covered most of them. I am particularly interested in what advantage this will provide in natural disasters. I understand a similar technology was used in the LA fires. Could you expand a little on that for us so that we can see what the potential might be. I know we've had a lot of challenges. We've had natural disasters in Australia where no-one had any mobile coverage.

**Mr Chisholm:** To preface it—and Ms La Rance or Ms Power can speak to it at further length—what you saw in LA with D2D is that it enabled people to communicate with each other who would have otherwise been disconnected during a natural disaster. Terrestrial services are frequently disrupted because of fires or other extreme events. You saw T-Mobile, in partnership with Starlink, enable a D2D service for the greater Los Angeles area in those devastating wildfires. The user experience during the disaster signalled that texts were made and received by standard, unmodified 4G LTE and 5G services. A week after the direct-to-device service was turned on in response to the fires, Starlink reported that over 120,000 texts had been sent and received. On 16 January, T-Mobile posted on their support page that around 96,000 texts had been sent and received since the service was turned on.

What you're seeing in these examples is that, but for the deployment of that technology, thousands and thousands of texts and communications would not have happened. That then enabled emergency services and family and loved ones to connect with people impacted by disasters, reinforcing the point that we've made this morning that this sort of technology is vital for future support to communities. It improves connectivity not only generally but during natural disasters. In countries like Australia, we obviously look very closely at natural disasters in the US. We share similar climatic challenges and work in partnership with jurisdictions there. We're keen to see that technology work to full effect here as well.

**CHAIR:** Can you assure us that this won't end up as some form of Elon Musk monopoly?

**Mr Chisholm:** Again, that's why the government is signalling that it wants to see a fully developed market, underpinned by strong government policy and the obligation. We are seeing LEOsat entrants continue to develop. I mentioned a couple of them earlier. Companies like Amazon are also deploying that technology or building it. We are focused on ensuring support and connectivity for affected communities. Whether it is Starlink or other competitors, that's really important for the government. Again, all good policy requires strong signals from government about how it wants to see markets developed and shaped. What we've seen in other contexts, including in the communications and media environment, I would say, is that you don't see optimal outcomes

when you see government trying to catch up to the technology. When the technology takes off in ways that are more rapid than government has been on top of it, you see fewer beneficial outcomes. This is a great example of the government getting ahead of the curve.

**CHAIR:** This is a signal for people to come on down.

**Mr Chisholm:** Absolutely; in law. It will be a legislated requirement, which is the strongest signal you can get.

**CHAIR:** Thank you. Senator Hanson-Young.

**Senator HANSON-YOUNG:** Continuing on this announcement today, could you help me, please, understand how the incentive money will flow to a provider—Telstra or Optus. Currently, how much money from the Australian taxpayer is being spent on making sure these universal services are delivered?

**Mr Chisholm:** We can talk about current funding for the universal service obligation.

**Senator HANSON-YOUNG:** In terms of outdoor. We are talking about outdoor.

**Mr Chisholm:** I will ask Ms Power to speak to current funding arrangements, then we can step through the future plans for universal outdoor.

**Ms Power:** The current arrangements that apply to universal services don't include mobile services. There is currently no funding being applied to it. The current arrangements are with Telstra, which is the designated universal service provider. They have an obligation only to provide landline services and payphones. They receive funding under a contract with the Australian government, currently \$270 million per year, for those two levels of services.

**Senator HANSON-YOUNG:** Was that \$270 million?

**Ms Power:** Yes; that's correct.

**Senator HANSON-YOUNG:** So \$230 million for landlines and \$40 million for the payphones?

**Ms Power:** That's correct.

**Senator HANSON-YOUNG:** We are operating on the same figures. That's good. What will be the money put aside for this new, expanded outdoor incentive?

**Mr Chisholm:** Those details will be worked through with government and industry.

**Senator HANSON-YOUNG:** What would you expect this to cost?

**Mr Chisholm:** We're not going to get into that now.

**Senator HANSON-YOUNG:** Hang on. What? So the government have announced that they're going to do something, but they haven't said how much it's going to cost or how they're going—

**Mr Chisholm:** That's a matter for future budget consideration by the government. The policy is set and it will be funded and supported as appropriate.

**Senator HANSON-YOUNG:** Have you done any cost analysis as to how much it would cost to get this done properly?

**Mr Chisholm:** We've done some analysis to support the policy. We monitor both the technology and the likely costs of the technology.

**Senator HANSON-YOUNG:** What would the likely cost be?

**Mr Chisholm:** To provide a bit of broader context, as the government goes about supporting this work, we want to ensure that we are communicating with industry in a way whereby we're also focusing on best value for money for the taxpayer. Hence, I think those details will be considered by government at the appropriate time.

**Senator HANSON-YOUNG:** If the payphone obligation incentive costs the Australian taxpayer \$40 million, how much should we be expecting the Australian taxpayer to fund so that people can use Elon Musk's Starlink?

**Senator McAllister:** That mischaracterises the policy intention—

**Senator HANSON-YOUNG:** Unless you tell me, Minister, you've made an announcement without any figures.

**Senator McAllister:** May I finish an answer?

**CHAIR:** Order! Minister, please finish your answer.

**Senator McAllister:** Senator, your question misunderstands the advice that's been provided to the committee so far, which is that the government's purpose is to ensure that we do have a fully developed market. The purpose of the announcement is to signal very clearly the government's intention to develop this market and to work with

industry to ensure that it is fleshed out. To the extent that your question asserts that the government policy is intended to support monopoly provision, that is simply incorrect, and in fact it is the exact opposite of the policy intent of the initiative that's been announced.

**Senator HANSON-YOUNG:** How do you provide a signal without providing a funding figure? If this is about sending a signal to the market, surely, you need to tell the market what type of money is on the table.

**Senator McAllister:** Senator, again—

**Senator HANSON-YOUNG:** Or do you people just make it up?

**Senator McAllister:** Senator, do you want me to answer the question or not?

**Senator HANSON-YOUNG:** If you have the answer, Minister, otherwise perhaps the deputy secretary can answer.

**Senator McAllister:** What's been made very clear is that the government wants a policy intent to ensure that we catch up universal service obligations to match the current technology in communications. This is an area that was sorely neglected during the previous government. Nothing happened. Considerable work has been undertaken—we've canvassed this at estimates previously—to work around the emerging technologies in LEOsat. Mr Chisholm has already referred you to the working group that he is involved in. There has also, of course, been a review of regional communications, where we worked with consumers to understand their requirements. This is the next step in this process. It's making clear our expectations about the shape of the market going forward and the fact that there will be a role for government in shaping it. Mr Chisholm can talk to you about how we now intend to work with industry to implement that. But it's really important that we do send this signal to industry. There is a role for government.

**Senator HANSON-YOUNG:** I am not discounting that. Unless you give some indication as to how much it's going to cost, the only player in the game is Elon Musk.

**Senator McAllister:** I think you misunderstand, again, the evidence that's before you. The policy intent is to ensure that we are bringing all of the players to the table.

**Senator HANSON-YOUNG:** With an imaginary amount of money.

**Senator McAllister:** That's your assertion, Senator.

**Senator HANSON-YOUNG:** You've made an announcement. You're saying this sends a strong signal, but there's no dollar figure attached, and you won't tell us. Either you have the dollar figure and you're hiding it, or you haven't got it, and you haven't done your homework. Which one is it?

**Senator McAllister:** Neither of those is a correct characterisation of what is—

**CHAIR:** Order! Senator Hanson-Young, maybe ask questions. Berating the witnesses in this manner will not bode well for the day.

**Senator HANSON-YOUNG:** Could I ask whether there's been any sovereign risk analysis done by the department in relation to this announcement?

**Mr Chisholm:** What do you mean by 'sovereign risk', Senator?

**Senator HANSON-YOUNG:** If Starlink is the only company, US owned, what does that mean if somebody—Elon Musk or somebody else; I don't know—decides that's not a service to be offered to Australia?

**Mr Chisholm:** We have done quite extensive analysis of the market, and we work with industry, including through avenues such as the working group, on market development. LEOsat technology, including Starlink, plays a really important role in that context. We welcome Starlink's participation in this technology and in these markets, and we also welcome other entrants, which is why the policy is sending that clear signal. It's important to bear in mind that this is part of a broader suite of universal services reforms that the government is committed to. That is all being considered in that context. We are focused on the technology and its benefits. That's where the policy is heading.

**Senator HANSON-YOUNG:** Just for clarity's sake, what's the name of the working group?

**Mr Chisholm:** It's the LEOsat Working Group; it's literally that.

**Senator HANSON-YOUNG:** Is there a list of people on that working group that we can have tabled?

**Mr Chisholm:** Yes.

**Senator HANSON-YOUNG:** I don't need it now. If you could table it, that would be helpful.

**Mr Chisholm:** Yes.

**Senator HANSON-YOUNG:** Could I ask whether there's been any analysis or risk report done in relation to possible foreign interference in relation to this technology?

**Mr Chisholm:** Those questions are probably a matter for Home Affairs.

**Senator HANSON-YOUNG:** No. This is a matter for your minister and your department. Before making this announcement, before deciding on this policy, was there a foreign interference risk assessment?

**Mr Chisholm:** Again, questions that relate to what you're asking are dealt with in other portfolios.

**Senator HANSON-YOUNG:** Do you know whether the minister has sought advice from the Department of Home Affairs in relation to this policy?

**Mr Chisholm:** The policy was part of cabinet consideration.

**Senator HANSON-YOUNG:** Do you know whether ASIO, ASIS or ASD were asked for their advice or assistance in relation to working out the impacts and risks of foreign interference with this technology and this announcement?

**Mr Chisholm:** Again, the policy went through a cabinet process, and questions relating to intelligence and security are best directed to other portfolios.

**Senator HANSON-YOUNG:** Did you help to design this announcement or policy, Mr Chisholm?

**Mr Chisholm:** Yes.

**Senator HANSON-YOUNG:** On the checklist of things to do, did anyone in your department say, 'We'd better go and ask ASIS whether there's any impact here,' or 'Can we flick this over to Home Affairs for them to have a look at?' Or was it announced in isolation?

**Mr Chisholm:** We talk about this in estimates frequently. The cabinet process covers—

**Senator HANSON-YOUNG:** I am not asking about cabinet. I am asking about the work that the department has done.

**Mr Chisholm:** The policy went through an extensive cabinet development process. That includes consultation with all affected and relevant agencies.

**Senator HANSON-YOUNG:** Has your department had any interaction, discussion or briefing from anyone in Home Affairs?

**Mr Chisholm:** We talk to Home Affairs frequently.

**Senator HANSON-YOUNG:** In relation to this issue? You don't need to be clever and smart here.

**Mr Chisholm:** We talk to Home Affairs in relation to LEOsats; we talk to them in relation to cyber risks. We talk to them in relation to critical infrastructure security. But they are Home Affairs portfolio responsibilities.

**Senator HANSON-YOUNG:** I understand that. But you've developed this policy. Was it on somebody's checklist in your department to see whether there was a foreign interference risk?

**Senator McAllister:** I think the official has answered your question. He has indicated to you that this was the subject of the ordinary processes of cabinet, and that, in and of itself, by its nature, involves consultation with other agencies.

**Senator HANSON-YOUNG:** Were there any red flags raised?

**Senator McAllister:** We don't go to the nature of discussions of cabinet, and you know that.

**Senator HANSON-YOUNG:** I am not asking about cabinet. I am asking about the departmental development of this policy.

**Mr Chisholm:** Senator, I am not going to—

**Senator HANSON-YOUNG:** Surely, that was done before it went to cabinet.

**Mr Chisholm:** We are not going to cabinet deliberations of the policy.

**Senator HANSON-YOUNG:** I am not asking about cabinet. I am asking about the work that your department has done on this particular project.

**CHAIR:** We will rotate the call because the time is up. Mr Chisholm, if you have any further information, perhaps you could provide it on notice, in terms of what engagement you've had regarding this particular program.

**Mr Chisholm:** Yes.

**CHAIR:** We'll go to Senator Davey.



**Senator DAVEY:** On the surface, as someone who lives in downtown Conargo, by the Conargo international airport, I would normally be very excited about an announcement like this. But given it's uncosted, unplanned and unfunded, and there are so many questions, forgive me for being cynical. We were promised that the NBN would make internet access equivalent right around Australia, yet people in regional areas are paying up to three times more than their urban counterparts just to access speeds that are not equivalent.

**CHAIR:** You might want to take a bit of responsibility for that one.

**Senator DAVEY:** The NBN was a Labor government policy, Chair.

**CHAIR:** Yes; 10 years of you lot and look what happened.

**Senator DAVEY:** No. It was us who actually realised that the NBN needed to get to the regions.

**CHAIR:** Senator Davey, please continue your questions.

**Senator DAVEY:** Coming back to Senator Hanson-Young's questions about sovereign risk, the 2024 Regional Telecommunications Review was headed up by former Labor MP Alannah MacTiernan, who did a good job. That report flagged that LEOsat constellations are owned and operated by foreign companies, 'raising questions about data security and control over sovereign risks'. She's flagged, in a report that's publicly available, potential sovereign risks of LEOsat. She also went on ABC Radio on 14 January and said:

It does obviously raise issues of sovereign risk when the proprietor is a person that is seeking to have major political power around the world.

Yet you have this announcement today. I thought Senator Hanson-Young's question was quite reasonable. Were these issues that were raised in the Regional Telecommunications Review flagged at all prior to this announcement?

**Senator McAllister:** Thanks for the question, Senator Davey. It had a long preamble. I will make the point that this government is actually acting to deal with the problems we inherited in relation to the NBN. I agree with you that communities were let down by the previous government's approach to the NBN. Their completely failed reliance on a multi-technology mix, on the old copper network, was a catastrophe. We are making very substantial investments to resolve that and to make sure that the promise of the NBN is actually fulfilled, because it was handled incredibly badly by the previous Liberal and National government that you supported.

**Senator DAVEY:** We inherited an NBN solely focused on delivering for urban areas.

**Senator McAllister:** Senator Davey—

**Senator DAVEY:** We are now talking about a mobile—

**CHAIR:** Let's have a bit of order. Senator Davey, you've asked a question; let the minister answer.

**Senator DAVEY:** I was asking about sovereign risk.

**Senator McAllister:** Senator Davey, I am addressing all of the matters that you raised in your question, the first of which was the NBN. With the second one, you did ask about sovereign risk. Again, as I indicated to Senator Hanson-Young, you are perhaps not yet grappling with the information that officials are putting in front of you, which is that the purpose of the announcement today, and the work that the government is doing on universal service obligations more generally, is to make sure that we have the policies in place to support the development of this market. Mr Chisholm can talk to you about a number of things. It may be helpful if he does talk to you about the market information that we do have about current and likely participants in this market. It's also the case that this is the beginning of working with industry, as he's already signalled to you, to understand how we will ensure that this market is fleshed out appropriately. I will hand over to Mr Chisholm.

**Mr Chisholm:** Thank you, Minister.

**Senator DAVEY:** Can I just clarify, though: Minister, you said the announcement of the policy was to send a signal, yet in the report about the policy it says the intent is to introduce new laws. It's not just a signal; it's legislation that will require telcos to offer LEOsat solutions.

**Mr Chisholm:** The legislation is important because it provides a very clear incentive to see the technology deployed in support of the connectivity issues that we outlined at length before. Legislation will play an important role. Probably the best way you can provide certainty to a market is to legislate it, because it's law and it needs to be provided. The government has also signalled that it will be prepared to partner with industry to see that technology rolled out, whether that's financially or in addressing other regulatory barriers, related barriers, which go to the work of the working group. The report that we provided to government a year ago goes into some detail about a range of regulatory and related issues that need to be tackled to help support LEOsat deployment. Again,

no-one thinks that this will not be a really critical piece of the technology solution for the future, particularly in relation to natural disasters but also broadening connectivity in areas that are currently underserved.

As the minister said, there are other entrants into the market. We are really keen to see them encouraged, and to grow, both in Australia and with our partners. The policy is focused on that.

**Senator DAVEY:** You have mentioned natural disasters, and Senator Grogan mentioned natural disasters; it's a crucial topic. The minister, Senator McAllister, is well aware that it is crucial. We have been talking about the need for a public safety mobile broadband network for around nine years. The coalition provided funding for it. This government has continued funding for it. There is a taskforce working on it. My understanding, when I get briefings on it, is that one of the roadblocks is that there is no single-use technology yet. Will this Universal Outdoor Mobile Obligation negate the need for a public safety mobile broadband network, given that you are saying it will play an important role in natural disasters, but there is no single-use technology available yet?

**Ms La Rance:** Can I clarify that LEOsats are not intended to replace existing technology, including mobile infrastructure; it is supplementing it.

**Senator DAVEY:** Yes.

**Ms La Rance:** It will also supplement the other initiatives that are underway to strengthen Australia's capacity to communicate in times of disaster and emergency, and more broadly.

**Senator DAVEY:** Who will bear the cost? It is uncoded. You say you will partner with industry but that you don't know what the incentives to industry will look like—whether it will be a financial incentive, an in-kind or a like incentive. As a regional customer, who is more likely to depend on LEOsats, or LEOsat-facilitated communications, than someone who lives in Sydney, with a 5G antenna on every street corner, am I going to be paying more for the privilege of that service in the regions because there will be an extra cost every time you connect to a satellite? This is the sort of question that people out there will be asking. From your answers today, I am getting the feeling that no work has been done on that yet.

**Ms La Rance:** As Mr Chisholm said, this is part of a broader review of the Universal Service Obligations. There are two discussion papers up on our website. One looks at the financing arrangements that sit around USO reform, and at the mobile element. We are looking at those structures more broadly, flagging that the government is willing to incentivise where necessary, and having some runway between now and when this will come into effect. It is about working with industry. Industry currently covers a lot of the costs for the commercial benefit, commercial interaction. This is about understanding if there are barriers to entry, going to Senator Hanson-Young's point about having a market that involves more than one player and then being able to address those barriers. It is first understanding what the barriers to entry are. There is already funding dedicated to Universal Service Obligations. It is about whether we are structuring that in a way which meets the needs of people.

**Senator DAVEY:** We keep hearing that there is more than one player. We have all heard about Starlink. Can you give me the names of other potential players—the name of one other LEOsat provider that might or might not participate?

**Mr Chisholm:** We are monitoring the market closely. There are competitors, including Lynk. It has an agreement with TPG and other companies, such as AST SpaceMobile. They have trialled D2D capability. Earlier I referenced Amazon's Kuiper project, which is in development now. I will ask the team if they wish to speak further on that.

**Ms Sparreboom:** Mr Chisholm, you have covered all the main players. Apple iPhone users can use Globalstar LEOsat constellations to make emergency SMS. Alternative players are emerging in the market.

**Mr Chisholm:** We expect to see more of that, given just how successful the technology has been. Starlink is at the forefront of the market at this time. The market is developing quickly. I expect to see more of that over time.

**Senator DAVEY:** This begs the question—Telstra has announced that they are trialling this sort of technology, as has Optus—why is the government intervening in what the market is doing anyway?

**Mr Chisholm:** We want to see an orderly transition of this technology to support consumers and as part of the universal service reform framework. This is about as critical to the role of government in telecommunications as you can get. The Commonwealth is responsible for communications. If the Commonwealth just sits back and allows all this to happen without clear signals, regulation and commitments to work with industry, I anticipate that we will see very messy transitions taking place, and a single player likely dominating the market. We want a strong policy framework in place to encourage new entrants, competition and market development, and a focus on keeping it in the context of universal services.

**Senator DAVEY:** You want to prevent a single player?

**Mr Chisholm:** We want to see a strong market develop.

**Senator DAVEY:** With the closure of 3G, people all around the country had to upgrade their devices. Will that be the case? I may have an Apple phone which uses Globalstar, but the LEOsats might not be Globalstar. Will people be obliged to upgrade to access this universal mobile service or will it be streamlined? Again, the concern is what the cost will be to the end consumer, and you have not been able to enunciate that at all. If Telstra and Optus are forced down this path, will they pass on the cost to their consumers, and will consumers have to buy new phones?

**Mr Chisholm:** As you say, Senator, it is important for people to know which devices are able to access D2D services, so we will work closely with ACMA to ensure that there is clear information on that.

**Senator DAVEY:** So the answer is 'potentially'.

**Mr Chisholm:** We are also involved in device-testing processes, work that ACMA is involved in, to get a better sense of the device capability. Over time, as mobile phones continue to be developed and rolled out, we will see greater use of this technology. When we commenced the 3G process—and certainly when Minister Rowland inherited responsibility for that process—no orderly transition process was in place. New regulations have been put in place to mandate Triple Zero compliance for mobile phones. A device-testing regime has been put in place to work with industry and manufacturers. Because we want to see that orderly transition happen, and that is the same with these technologies, the government has a critical role to play.

**Senator McAllister:** Which makes the case for the framework that has been announced. We need a measure of coordination across all elements of the supply chain in the context of the Universal Service Obligation.

**Senator HANSON-YOUNG:** I want to go to some of the other questions I referenced earlier this morning. Mr Betts, you said that policy isn't decided by other countries' administration. The government and the minister put on ice the quotas on streaming services specifically because of the US election. It seems that there is at least some consideration about the change of administration in the US. Since then we have heard nothing about regulating streaming services. Where is that up to? When will we get some movement on it? Or has it been dumped as a government policy? That is, perhaps, a question for the minister.

**Senator McAllister:** Perhaps I can start. We have a proud screen sector. We are proud of the work that our filmmakers do. They are acknowledged globally for their excellence. We are committed to introducing Australian content requirements on streaming services to ensure that we have local content and stories. I said this morning, and I have said on other occasions, that this is taking longer than we would like. I don't accept your characterisation of the government's posture towards this. We are progressing this, but it is necessary to get it right. We are engaged in consultations to make sure that occurs. I can ask Mr Betts or Dr Arnott to talk you through any of the more particular work.

**Senator HANSON-YOUNG:** Last time we were here the minister had just briefed the sector, saying they weren't going to be moving ahead before the US election. The US election has happened now, so where are we?

**Senator McAllister:** The government was clear at the time that we were working through a whole range of issues. We were also clear that it wasn't moving as quickly as we would like. However, we remain committed to the policy. I can ask the officials to speak with you about the work that is underway.

**Mr Betts:** I don't think we have a whole lot to add to the points Dr Arnott made earlier this morning.

**Senator HANSON-YOUNG:** Is this one of the issues that the Treasurer is discussing this week in the US?

**Senator McAllister:** You would have to direct those questions to Treasury.

**Senator HANSON-YOUNG:** No. This is your department; it is your policy. It is your government's policy. The Treasurer is in the US discussing trade issues, we understand. Is the issue of Australian content on Netflix and Disney part of that conversation or not?

**Senator McAllister:** I have already indicated that you need to direct those questions to Treasury. We are not in a position to brief on the Treasurer's movements or itinerary.

**Senator HANSON-YOUNG:** Has this department briefed Treasury officials about the policy and where it is going?

**Mr Betts:** The policy is subject to the normal cabinet processes—

**Senator HANSON-YOUNG:** Oh my God! Are we going to get this all day?

**Mr Betts:** This is the way government works, Senator.

**Senator HANSON-YOUNG:** The department advises; the department should answer.

**CHAIR:** Senator Hanson-Young, you have asked the question. Allow the official to provide the answer.

**Mr Betts:** Major decisions, including decisions which prospectively involve legislation, and which prospectively involve significant levels of public consultation which have been underway for some time, are routinely discussed around the cabinet table and through cabinet committees. In supporting those committees, there are official level forums where departments exchange information and discuss ideas and analysis. The SVOD regulation that you are referring to has been subject to those processes over a considerable period, as we've described.

**Senator HANSON-YOUNG:** Dr Arnott, are you aware whether the topic of streaming services and regulation being discussed in the US this week by Australian officials?

**Senator McAllister:** We have already provided an answer to that question.

**Senator HANSON-YOUNG:** I just directed a question to Dr Arnott, as to whether he was aware. Surely he can answer whether he is aware or not.

**Senator McAllister:** Senator, for a start—

**Senator HANSON-YOUNG:** You're running cover.

**Senator McAllister:** any question may be taken by the minister. But I have indicated to you that, for obvious reasons, the department is not in a position to provide answers around the Treasurer's movements or itinerary. Those questions need to be directed to the Treasury.

**Senator HANSON-YOUNG:** So your government is doing nothing on this?

**Senator McAllister:** That is inaccurate, Senator.

**Senator HANSON-YOUNG:** At the last estimates we were told that nothing was going to happen until after the US election. The US election has happened. So what is happening now? What is your government doing? What are your officials doing? When are we going to see a delivery of the promise that was made to the Australian people and to the industry?

**Senator McAllister:** Senator, I'll review the transcript, but I don't think that accurately describes the information that was provided to you at the last estimates. I've given you an answer about the government's continuing commitment to this. I've indicated to you that the work is ongoing.

**Senator HANSON-YOUNG:** What does 'ongoing' mean, please, minister? I would like to know what work is being done. If nothing has moved, fine, say that. But, with all due respect, saying 'ongoing' is not a fulsome answer in a Senate estimates.

**Senator McAllister:** Mr Betts has just described to you the fact that this matter is being progressed through the ordinary processes of government and that work is occurring between agencies.

**Senator HANSON-YOUNG:** What work? I'd like to know what work. This is what I am trying to understand. This is just bureaucratic doublespeak.

**Senator McAllister:** Senator, you've asked whether the government is committed to this. I am telling you that we are, but the work hasn't concluded yet. I've also said to you that it is slower than we would have hoped.

**Senator HANSON-YOUNG:** Have you sent officials to the US to discuss this topic since the election?

**Dr Arnott:** No, Senator.

**Senator HANSON-YOUNG:** Since the election, has there been any conversation with the ambassador to the US in relation to this issue?

**Mr Betts:** That's clearly a matter for the Department of Foreign Affairs and Trade.

**Senator HANSON-YOUNG:** Have any briefings and work been done with the Department of Foreign Affairs in relation to this topic by your department?

**Mr Betts:** I've described to you the normal processes.

**Senator HANSON-YOUNG:** No; I am talking specifically about this issue.

**Mr Betts:** There are forums which sit under the architecture of cabinet and through which these matters are routinely discussed, including with the Department of Foreign Affairs and Trade.

**Senator HANSON-YOUNG:** On notice, could we please have a list of meetings—unless you can give it to us now—when this department, Dr Arnott or others involved in this have spoken to members of the Foreign Affairs Department about continuing to deal with this issue since the US election?

**Mr Betts:** I will provide you what we can on notice, recognising that some of those discussions take place in cabinet.

**Senator HANSON-YOUNG:** I understand that. I am not asking for cabinet deliberations. I am asking for the department.

**Mr Betts:** That's a clarification because you won't get them. We will give you what we can.

**Senator HANSON-YOUNG:** Minister, when does the government expect that we will see the promised legislation for this regulation? We're almost three years down the track.

**Senator McAllister:** Senator, I can't provide you with any more information than I have. This work is ongoing. It has not concluded. The government remains committed to progressing it.

**Senator HANSON-YOUNG:** With respect to the media bargaining code, what is the expected time frame for completion of these consultations—the new system?

**Mr Chisholm:** Senator, are you asking about the News Media Bargaining Code or the news media bargaining incentive announcement from the government?

**Senator HANSON-YOUNG:** I am talking about how your government is going to take this issue forward. You've made some promises. You've got the incentive.

**Mr Chisholm:** The incentive is—

**Senator HANSON-YOUNG:** Remembering, of course, that a number of the contracts have already expired.

**Mr Chisholm:** Yes. Senator, the incentive is a Treasury portfolio matter. But questions about the code and the incentive are best directed to Treasury in another committee.

**Senator HANSON-YOUNG:** Is there anyone in your department who is working on this, Mr Chisholm?

**Mr Chisholm:** We have an interest in the incentive in the context of the broader suite of News MAP reforms that the government is rolling out; both the News MAP policy framework and the financial commitments the government's made to support regional media, media sustainability and diversity, the ABC—

**Senator HANSON-YOUNG:** Of course the minister was part of the announcement.

**Mr Chisholm:** SBS, and First Nation and CALD communities. Obviously we have an interest in the broader question of media diversity and sustainability, but the incentive itself is Treasury.

**Senator HANSON-YOUNG:** The minister is involved. This isn't being done purely by the Treasurer or the Assistant Treasurer. The Minister for Communications is involved. She was there at the announcement.

**Mr Chisholm:** Yes.

**Senator HANSON-YOUNG:** There was a press release with her name on it.

**Mr Chisholm:** As I say, we have a strong interest in it, but it is Treasury that leads on the policy.

**Senator HANSON-YOUNG:** Who in your department is working on this issue?

**Mr Chisholm:** I work on this issue; Ms Gannon works on this issue as well.

**Senator HANSON-YOUNG:** Could we have a list of the officials who are working on this issue from the department, please.

**Mr Chisholm:** A list of all officials working on this?

**Senator HANSON-YOUNG:** With respect to the News Media Bargaining Code and the incentive, I'd like a list of the officials from your department who are working on this issue.

**Senator McAllister:** We can take that on notice.

**Senator HANSON-YOUNG:** Do you know how many there are?

**Mr Chisholm:** A task force in Ms Gannon's division is focused on news and journalism; and at the moment, it is primarily focused on the News MAP policy framework and programs of support underpinning that. There's also a branch in Ms Gannon's division that supports the national broadcasters, which are a critical part of what we are doing with News MAP as well, and a media reform team supports that work. We've got a number of people working on news and media diversity and media reform. We do communicate with Treasury in relation to the incentive; but, as I say, it's not something that falls squarely into any one team.

**Senator HANSON-YOUNG:** There must be somebody within your department, or people within your department, who have responsibility to work with Treasury.

**Mr Chisholm:** Yes; and I've told you; that's both myself and Ms Gannon.

**Senator HANSON-YOUNG:** And nobody else?

**Mr Chisholm:** Of course there are other people working on it. We'll take on notice the names. You have asked for a list of names.

**Senator HANSON-YOUNG:** And the positions.

**Mr Chisholm:** And positions.

**Senator HANSON-YOUNG:** Thank you.

**Senator McAllister:** Senator Hanson-Young, we will take that on notice and do what we can. It's not common to provide the names of very junior personnel.

**Senator HANSON-YOUNG:** I'll tell you why I am asking.

**Senator McAllister:** We'll examine the request and see what information can be provided.

**Senator HANSON-YOUNG:** I am not going to waste time then. You consider my request and get back to me. Mr Chisholm, has there been any briefing with Treasury, or any other department within government, in relation to the impact of the new US administration and the comments made publicly by the President, or indeed Elon Musk, in relation to the News Media Bargaining Code or the incentive, or indeed any other part of your department's policies?

**Mr Chisholm:** Senator, I am not aware of specific comments about the code. We are aware of the President's executive order in relation to digital policies, and we will continue to engage with the administration and with industry to ensure that our respective digital policies are meeting our objectives. The relationship itself however with the US is handled by the Department of Foreign Affairs.

**Senator HANSON-YOUNG:** Who's in charge of looking at that particular executive order on digital policies and the impact it has on Australian domestic policies and regulations?

**Mr Chisholm:** We don't have primary responsibility for interpreting executive orders. We would seek the support of DFAT and Treasury on that matter. I don't have a copy of it in front of me but, from memory, it's pretty broad in terms of trade relationships and trade impacts. Again—

**Senator HANSON-YOUNG:** Maybe—

**Mr Chisholm:** Sorry, I was just going to finish and say that's why we are relying on DFAT to help understand that.

**Senator HANSON-YOUNG:** Has there been an official cross-departmental or internal departmental briefing on the order and the implications?

**Mr Chisholm:** Not that I'm aware of.

**Senator HANSON-YOUNG:** I am trying to understand the level of engagement of this department since this executive order has been handed down?

**Mr Chisholm:** I think it was handed down—

**Senator McAllister:** Senator Hanson-Young, do you mean engagement with other people? What is your question?

**Senator HANSON-YOUNG:** I just asked externally with other departments and also internally. I'm trying to understand whether you just all emailed it around to each other or did you have a meeting? Have you worked out a way forward? Is there a task force charged to look at how this will impact the rollout of a number of your department's policies?

**Mr Chisholm:** We became aware of it over the weekend. It's now Tuesday. I anticipate that there will be work in relation to that, which DFAT is leading and coordinating on behalf of the whole of government.

**Senator HANSON-YOUNG:** There has been no memo or anything internally to the department as of today?

**Mr Chisholm:** No memos. DFAT is probably working on advice. We are in regular contact with DFAT about our policies, given how much they relate to international companies, and we anticipate that will be done—

**Senator HANSON-YOUNG:** What I am trying to—

**CHAIR:** Senator Hanson-Young, you are well over time.

**Senator HANSON-YOUNG:** The executive order was signed on the weekend. Did anyone in your department contact anybody else in the department or DFAT and say, 'We need to get across this'?

**Mr Chisholm:** We read the Executive Order. We are aware of it. DFAT is aware of it. Work will be done in relation to that as part of the bilateral relationship. That is DFAT's responsibility.

**CHAIR:** Senator Bilyk.

**Senator BILYK:** With regard to the regional communications funding programs, I was wondering whether you could detail where the current key programs are at in terms of delivery?

**Mr Chisholm:** I might ask Mr Grunhard to kick off with it.

**Mr Grunhard:** You'd be aware that, as part of the Better Connectivity Plan, and in addition to significant funding for the NBN, the government committed \$656 million to improve mobile and broadband connectivity and resilience in rural and regional Australia. I am pleased to report that, of that funding, the government has announced or awarded more than \$521 million over 14 separate initiatives. That allocation is funding a pipeline of over 500 projects, delivering new and enhanced connectivity across regional, rural and remote Australia. A number of programs are under that banner of the Better Connectivity Plan. You heard about one of them earlier this morning, the Broadcasting Resilience Program, which is achieving some really significant differences for the resilience and continuity of ABC radio and television broadcasts. That is one example. Another example is the Mobile Black Spot Program, and you would be aware that the seventh round has been contracted and is underway. The eighth round of the Mobile Black Spot Program is currently accepting applications.

There's also the Mobile Network Hardening Program, which is designed to ensure that mobile telephone towers continue to broadcast in the case of significant floods, fires and other interruptions. Applications have been accepted for the third round of that program and we're presently assessing those.

You'd be aware, for example, of the On Farm Connectivity Program, which has had two successful rounds that were fully subscribed, and the minister has announced the third round of \$20 million to roll out later this year. There are other examples of programs underneath that umbrella, but that is a sample of some of what's underway.

**CHAIR:** I am afraid I am going to have to pull you up, Senator Bilyk. I know that you only got a couple of minutes.

**Senator BILYK:** I did, sadly.

**CHAIR:** We are going to break for morning tea. We will return at 10:45 and continue on with program 5.1.

#### **Proceedings suspended from 10:29 to 10:45**

**CHAIR:** Welcome back. We will continue with outcome 5, program 5.1. We will go to Senator Blyth.

**Senator BLYTH:** I have some questions in relation to the gambling harms report. I will start with a quote from the communications minister on the promise to respond to this report:

We will be forward-looking and comprehensive...

We will get this right and we will get this done and it will have a measurable difference on gambling harms in this country.

My question for the department is: when did you first hear about the plans to give up on the gambling advertising?

**Mr Chisholm:** Senator, there's no plan as you've described it. The government remains committed to tackling the unacceptable levels of harm associated with online wagering advertising. The minister's comments in that regard are entirely consistent with the government's strong commitment to working through those recommendations, consulting on a proposed model and rolling out reforms to tackle that harm.

**Senator BLYTH:** Where exactly are you up to on that? We were promised something by the end of the term.

**Mr Chisholm:** We're working through various options to address both the recommendations and the harms associated with online gambling advertising. That's work that the team is actively doing. We are considering feedback from industry. We anticipate being ready to implement that when the government chooses to do so.

**Senator BLYTH:** The ABC reported in November last year that government sources had told them that the contentious bill to restrict the advertising basically would not be proceeding and had been abandoned. Those reports are not correct?

**Mr Chisholm:** We haven't received any advice on that from our minister or within government. We're continuing to work on the reforms. We're aware of the media comments, but they're not comments that have been given to us.

**Senator BLYTH:** Does the minister want to add any comments on that question?

**Senator McAllister:** I think Mr Chisholm has answered the question.

**Senator BLYTH:** In terms of the department's readiness, basically, you have been instructed to be ready to go, whoever wins the next election, with a plan to roll out.

**Mr Chisholm:** Whoever wins, we would be responding to the government of the day on what they wish to do on wagering reforms.

**Senator HENDERSON:** On the options you raised, what are those options, Mr Chisholm? Could you summarise what they are?

**Mr Chisholm:** There have been some reports about areas of focus—

**Senator HENDERSON:** No. I am asking about the options that you're considering.

**Mr Chisholm:** The government hasn't yet announced a package. What it is focused on is how to reduce—

**Senator HENDERSON:** Mr Chisholm, I apologise for interrupting. I didn't ask about the government's announcement. I asked about what the options are that the department is currently considering, to which you referred in one of your previous answers.

**Mr Chisholm:** Obviously, at the heart of it is looking at ways to reduce wagering advertising during live sport. There are also a range of other forms of wagering advertising that the Murphy report looked at in relation to things like stadia advertising, advertising online and on platforms. We're looking at all those issues to be in a position to respond.

**Senator HENDERSON:** Mr Chisholm, there's no action. Maybe I can refer to the minister. Minister, there's been absolutely no action on gambling reform. The government did not even support our private member's bill, senator's bill, to impose a ban on advertising for one hour before and after live sport, which shows, frankly, a pathetic commitment to any sort of reform. Isn't it the case that you've completely dropped the ball?

**Senator McAllister:** No. It's not correct to say that there's been no action on dealing with harms associated with gambling. We have talked about this often in the Senate. I have spoken about it in question time. I point you, for example, to BetStop. At the end of January this year, 37,000 Australians have registered to use it, since it was launched. On average, over the past year, that's more than 1,600 a month. That's almost 400 per week—

**Senator HENDERSON:** Minister, I am sorry to interrupt. We haven't got much time.

**Senator McAllister:** and more than 50 per day. It's just not correct to say that no action has been taken. In fact, the government has done more in one term than your government achieved in a number of terms to address harms associated with gambling.

**Senator HENDERSON:** Minister, we've just heard—

**Senator McAllister:** The government does remain committed to dealing with this one question, which is around advertising of online wagering. We recognise that it is taking longer than we had hoped, but we are working through it and working through the feedback that we are receiving.

**Senator HENDERSON:** Minister, it has taken all of this term, and there is still no action. That is what I was referring to when I made reference to the fact that there's been no action. Why didn't the government support the opposition's very sensible legislation which would have seen advertising during live sport, including one hour before and one hour afterwards, banned? Why didn't the government recognise that this was sensible reform and support us in a bipartisan manner?

**Senator McAllister:** The minister has been very clear that we intend to do this and do this well.

**Senator HENDERSON:** You're not doing anything, Minister. It's a disaster.

**Senator McAllister:** May I finish my answer? I would point you to the reforms that were undertaken under the previous government. In 2018, the Liberals introduced reform—

**Senator HENDERSON:** I am asking about your government, Minister.

**Senator McAllister:** Beyond that point, there was a 50 per cent increase in the total volume of gambling spots on television and radio. There was an 86 per cent increase on regional TV.

**Senator HENDERSON:** Sorry, just on direct relevance, Minister—

**Senator McAllister:** And I point to that; it is relevant, Senator—

**Senator HENDERSON:** I am asking about your performance.

**CHAIR:** Senator Henderson, you've asked a question. Allow the minister to finish.

**Senator HENDERSON:** On the point of direct relevance, I ask the minister to address the question.

**CHAIR:** I would say that she is addressing the question, by the nature of how you characterised it. The minister will finish her answer.



**Senator McAllister:** It's relevant because there are unintended consequences. There can be unintended consequences when you undertake reform without thinking it through. The government has been working to understand the best way to intervene in this complex policy area in a way that produces the outcome that we want. We have been really clear about what those outcomes are. It's about the nexus between wagering and sport, it's about reducing the exposure of children to online wagering advertising, and it's about tackling the saturation and targeting of wagering ads. It is complex, and it is possible, as the example I provided to you demonstrates, for reforms to have consequences that you don't expect. For that reason, the government is taking the time to work through this, to understand it and to get it right.

**Senator HENDERSON:** Can I ask about the draft rules for the social media ban, a very proud initiative of the coalition, banning social media for under-16s. Would it be possible to provide the committee with a copy of those draft rules, please?

**Senator McAllister:** I will raise a question in relation to your preamble. The coalition was in power for nine years and didn't do this, so it's difficult to see how this could be characterised as a proud policy legacy for the coalition.

**Senator HENDERSON:** I will explain it. I will address that.

**Senator McAllister:** I will ask officials to provide an answer to the question you asked and provide an update on the development of the rules.

**Senator HENDERSON:** No, that wasn't my question, Minister.

**CHAIR:** It was, actually.

**Senator HENDERSON:** My question was: could you please provide the committee with a copy of the draft rules?

**Mr Irwin:** We can provide those on notice, yes.

**Senator HENDERSON:** Can you provide them now, please?

**Senator McAllister:** The official has taken it on notice. He is quite—

**Senator HENDERSON:** I am sorry, Minister—

**Mr Chisholm:** We'll locate one for you, Senator.

**Senator HENDERSON:** Thank you, Deputy Secretary. I understand that it might take a bit of time. If Mr Irwin could, as soon as convenient, locate a copy of those draft rules so that we can distribute them to the committee, that would be very welcome.

**Mr Irwin:** We are providing them now.

**Senator HENDERSON:** Thank you very much. Can you give the committee an update on your consultation, including in relation to the draft rules? Has the government entered into any NDAs at all in relation to this consultation?

**Ms Vandenbroek:** We have commenced consultation. We are working through that. We still have a number of roundtables and individual consultations to go. There haven't been any NDAs entered into as part of that process.

**Senator HENDERSON:** Can you please provide more detail on that consultation? Where are you up to? Will you meet your timeline in terms of implementing an under-16s social media ban?

**Ms Vandenbroek:** We believe we will meet the timeline to have the ban active by 10 December, which is the deadline, being 12 months from when the legislation came into effect. I'll ask Mr Irwin to go through the consultation program in more detail. We are working through that. We have a couple of weeks to go. We expect that, after that, we would provide advice to the minister, and that the rules will be made at some point in the first half of this year, in order for the eSafety Commissioner to then be able to issue guidance to industry on how that will be implemented.

**Senator HENDERSON:** It is required that the social media or tech platforms must take reasonable steps to implement a social media ban by 10 December; is that correct?

**Mr Irwin:** Correct.

**Senator HENDERSON:** What does 'reasonable steps' mean, please?

**Ms Vandenbroek:** That will be worked through over the next few months. There is the technology trial underway to trial the effectiveness of different technologies already being used. The results of that trial will inform guidance that the eSafety Commissioner will issue in regard to reasonable steps.

**Senator HENDERSON:** Can you outline which platforms, or services, will be exempt from this legislation?

**Ms Vandenbroek:** It will be platforms that are for messaging, online gaming or primarily for the purposes of health and education.

**Senator HENDERSON:** Can you name those platforms?

**Ms Vandenbroek:** We have been working through with platforms. With the major platforms, it is quite clear which ones are in and which ones are out. With some of the smaller ones, we're working with them to better understand their offering and where they sit.

**Senator HENDERSON:** You say that it is quite clear; could you please provide that information to the committee?

**Ms Vandenbroek:** Do we have a list?

**Mr Irwin:** We don't have a finalised list. We're currently consulting on the rules and taking stakeholder feedback. What the rules are, which provide those exclusion categories that Ms Vandenbroek went through, is yet to be settled.

**Senator HENDERSON:** Ms Vandenbroek, you've said it's quite clear as to which platforms, of the larger ones, are in and out. YouTube is one, for instance?

**Ms Vandenbroek:** Yes.

**Senator HENDERSON:** Are there any others that will be exempt from the legislation?

**Ms Vandenbroek:** Not specifically. YouTube is the only one that's been specifically named in the draft rule. The others are the ones that meet the definition of being solely or primarily for messaging or gaming, or solely or primarily for the purposes of health or education.

**Senator HENDERSON:** Minister, just to correct the record on something you said earlier, Mr Dutton prosecuted the need for a social media ban for many months before this was adopted by the government. I think it's fair to say that we have seen increasing levels of harm suffered by young Australians, increasing evidence of terrible harm, including, of course, shocking incidents of suicide, eating disorders and the like. The coalition has led the charge in relation to this ban. My final question to you, Minister, is: are you confident that this will be in place by 10 December?

**Senator McAllister:** In relation to your comments about getting things done, plainly, the government did the work necessary to establish a legislative framework that could protect children from the harms that you refer to. I draw your attention to the fact that you were in the chamber and I was in the chamber; there were a range of coalition MPs who actively prosecuted the case against these reforms. It's a very big contrast to the Labor caucus, who were universally supportive of these reforms, and it's not clear to me what the position of many of your colleagues is on these questions. The official has given you advice about the implementation timetable and her assessment that it will be possible to have it in place within the 12 months, as anticipated.

**CHAIR:** Thank you. Senator Bilyk?

**Senator BILYK:** I want to go back to the On Farm Connectivity Program that was mentioned before we broke for the tea break. What has the level of interest in this been like from primary producers and farmers?

**Mr Grunhard:** Those two rounds of the On Farm Connectivity Program that I mentioned have been conducted. There was a very high level of interest, particularly in the second round. Mr Lange might be able to take you through some numbers about the second round that was recently conducted.

**Senator BILYK:** If you have any examples, that would be really helpful.

**Mr Chisholm:** This has been an incredibly successful program. The program is focused on increasing uptake of ag tech and other connectivity solutions in the sector by primary producers in relation to fisheries and forestry, and it provides rebates and supports for eligible equipment. We are really excited at how successful this has been.

**Mr Lange:** The second round of the On Farm Connectivity Program was very successful. Well over 2,000 applications were received as part of that program, which was funded to \$18 million in total. I don't have any individual case studies with me, but that's definitely something we could provide pretty rapidly.

**Senator BILYK:** Was that for round 2 or round 3?

**Mr Lange:** Rounds 1 and 2 have been announced and completed. Round 3 was announced by the minister late last year to occur later in 2025. There are three rounds in total; two rounds have been completed.

**Senator BILYK:** Mr Grunhard, would you like to add anything?

**Mr Grunhard:** We certainly will provide on notice some successful case studies. The Regional Tech Hub, which is also funded under the Better Connectivity Plan we were just discussing, has published some case studies on its website of specific farmers and primary producers who have benefited from the new connectivity, particularly the productivity gains they have been able to find through the rebates that have been provided through this program—for example, primary producers who no longer have to drive a couple of hundred kilometres to check the level in a dam, or to check whether a gate is operating correctly, or to weigh cattle, or to count stock. Instead, they are able to do this remotely, due to the equipment that has been provided through the program. It has been very successful. That is why the government has announced a third round to run later in 2025; \$20 million is allocated to that third round.

**Senator BILYK:** Is there a theme in terms of consumer need which the programs are particularly focused on responding to?

**Mr Grunhard:** As we were discussing, there is a wide range of initiatives under the Better Connectivity Plan. I think you could say that all of them are directed towards narrowing the digital divide between those in the cities and those living in regional, rural and remote communities. There is a level of constancy of connectivity and speed and reliability of connectivity that people have become used to in the cities that is often lacking in regional, rural and remote areas. These funding programs are all designed to co-invest with industry to incentivise industry to fill those gaps and to make sure that the experience of those living in our regional communities—whether it is to participate in online banking, to connect with their friends and family or to understand what is happening during an emergency—have a level of connectivity that is commensurate with what people experience in the city. That is broadly what the programs are driving at.

**Senator McAllister:** I think it's worth observing that this particular program in relation to farming was a recommendation made in 2021 under the independent Regional Telecommunications Review. That recommendation was ignored by the coalition. There was a lot of talk about their commitment to regional communities and to primary producers, but when a practical, sensible recommendation was made to them by an independent reviewer—absolutely nothing. As the official has described to you, we are committed to ensuring that primary producers enjoy the benefits of the digital revolution and are capable of participating in it. There is a range of other ways that we are supporting regional communities to improve their connectivity.

**CHAIR:** We will go to Senator Hanson-Young.

**Senator HANSON-YOUNG:** I want to follow up on the announcement the minister made this morning in relation to Starlink and the incentive for the Universal Outdoor Mobile Obligation. When did the department start working on this project?

**Mr Chisholm:** We have been working on this for some time. I would need to check with my colleagues on a timeframe. I have been the deputy secretary for this group for nearly a year, and the work was ongoing before I started. There has been a long lead time.

**Senator HANSON-YOUNG:** Was it envisaged that this policy would be put forward prior to the election? You have been working on it for so long. Why is it a promise for after the next election?

**Mr Chisholm:** I don't quite understand the question.

**Senator HANSON-YOUNG:** You have been working on it for over a year is what you are saying to me?

**Mr Chisholm:** Yes, I think it has been at least a year.

**Senator HANSON-YOUNG:** There was a taskforce. You mentioned a working group.

**Mr Chisholm:** There is a LEOSats working group, but that is primarily an industry-facing working group; it didn't develop the policy. The policy was developed by government but informed by inputs such as the thinking from both the working group report and the RTIRC report that we referred to earlier. Also, it is nested within that broader sweep of universal services reforms.

**Senator HANSON-YOUNG:** When was the working group formed?

**Mr Chisholm:** It was formed in 2022. I will check the exact date.

**Senator HANSON-YOUNG:** I have already asked who was on the group; you have taken that on notice.

**Mr Chisholm:** We've got that and we can table that.

**Senator HANSON-YOUNG:** Is this the only project that this working group works on, or are there other issues?

**Mr Chisholm:** The working group didn't work on this. The working group is a broad industry working group for LEOSat technology. It has looked at everything from how we ensure that LEOSats are fit for purpose in the

context of weather events to how LEOSats relate to supporting regional communities and farming technology. We have had discussions—for example, at a recent meeting we had a presentation from Starlink about the work that it did in support of the LA fires response.

**Senator HANSON-YOUNG:** When was that meeting?

**Mr Chisholm:** That was earlier this month. I am checking on dates with my colleagues, but it was just a few weeks ago.

**Senator HANSON-YOUNG:** If you have a specific date for the meeting where you were briefed by Starlink, that would be good.

**Mr Chisholm:** Yes. The working group representatives include a number of industry representatives, the communications alliance and some of the companies I mentioned before who are also in the LEOSat space.

**Senator HANSON-YOUNG:** Thanks, Mr Chisholm, I'm on limited time and I've asked for the list be tabled, so that's fine. I'll just keep asking some questions so we can get through them. When was this working group first briefed or consulted on in relation to this particular project?

**Mr Chisholm:** We didn't brief the working group on this project.

**Senator HANSON-YOUNG:** When was the first time this working group became aware of the project as it was announced this morning?

**Mr Chisholm:** My understanding is that it would have been when the announcement was made.

**Senator HANSON-YOUNG:** Today?

**Ms La Rance:** The members of the working group would have been made aware in their individual capacities. Supporting what Mr Chisholm said, the terms of reference of the working group are broader than just a mobile USO.

**Senator HANSON-YOUNG:** I understand that. I want to know when they discussed or briefed or were consulted on this project.

**Mr Chisholm:** One thing that is probably worth bearing in mind—I touched on it earlier—is that a number of members of the working group have their own commercial relationships in relation to this technology. When engaging through the working group we have to be mindful of those sensitivities. Hence, it's really important that they all find out at the same time about government policy announcements. We don't want to give any particular participants advantages in that sense.

**Senator HANSON-YOUNG:** So there was no discussion within the working group about this new incentive prior to this morning?

**Mr Chisholm:** We have obviously discussed the technology and the direction in which this is heading, but we didn't discuss this specific policy.

**Senator HANSON-YOUNG:** Fair enough, but this specific policy has been in the works for over a year?

**Mr Chisholm:** Yes.

**Ms La Rance:** Can I add to Mr Chisholm's comment? The need for mobile coverage, or the capacity to connect outside of traditional mobile networks, is something that has come up quite regularly through the consultation process on Universal Service Obligation reform. It was quite clear that it was a concern in the context of the 3G shutdown. At a recent committee appearance, we were asked questions around when this technology would be available more broadly in Australia. It's something that has been part of our consideration and consultation for some time.

**Ms Power:** To give you a sense of the broader consultation that has been happening and what this arose from, it started in October 2023, when the government first announced that it wanted to look at the future of universal service arrangements and consider what services a future Universal Service Obligation should cover. So that discussion paper was released, to which there were broad responses from industry and from regional and other stakeholders. It asked the question: what role do you see mobile services playing in a future USO? The feedback through that, as well as other processes such as the Australian Government Regional Telecommunications Review, was the derivation of where that work considered how it could play a role, noting that mobile technology is becoming a preferred form of content.

**Senator HANSON-YOUNG:** I can see there's obviously a gap there. You will get the exact date of the briefing from Starlink for me. Who proposed that Starlink brief that group? Was that by an industry member on the working group? Was it proposed by the government? Who proposed that Starlink would brief?

**Mr Chisholm:** We requested it.

**Senator HANSON-YOUNG:** You requested it directly to Starlink?

**Mr Chisholm:** Yes.

**Senator HANSON-YOUNG:** Could I have a copy of that correspondence?

**Ms La Rance:** I will take on notice how we communicated with them. I also confirm that that meeting was on 11 February. It was around understanding the experiences that they'd had in the US, including regulatory approaches, in light of the recent bushfires.

**Senator HANSON-YOUNG:** Have there been any other meetings with Starlink and the department?

**Mr Chisholm:** As a member of the working group, in the last 12 months the working group has met about three times. Then, separate meetings with Starlink—I will take that on notice.

**Senator HANSON-YOUNG:** I am happy for you to take that on notice, including any meetings which the minister or the minister's office may have had with them. I know Senator Cox, who is online, has a quick question.

**CHAIR:** We will be concluding this session at 11.30. Senator Cox, if you could be as swift as you can, that would be great.

**Senator COX:** I have a question in relation First Nations digital inclusion and Closing the Gap target No. 17. I want a quick update on progress, given that this target is one of the first due in 2026 and is for achieving equal levels of digital inclusion for Aboriginal and Torres Strait Islander people across Australia. Can you give us an update on the latest \$68 million that was allocated in the 2024-2025 budget?

**Mr Chisholm:** Yes. I'll ask my colleagues to speak to that in a bit more detail. The most recent update is that we've now released program guidelines for the First Nations digital inclusion programs that were developed very closely with the First Nations Digital Inclusion Advisory Group, the department and the NIAA. That's been the culmination of two years of really great work with communities and those organisations. The guidelines are for the programs that also complement the existing community wi-fi mesh networks that have been rolled out by NBN in a number of communities over the last year. That was funding that was announced in February of 2024.

**Senator COX:** That was the 23 communities, was it?

**Mr Chisholm:** Yes, 19 of the 23 communities now have active services as part of that work, but I'll ask—

**Senator COX:** How are they determined?

**Mr Chisholm:** I'll ask Dr Ashurst to speak to that.

**Dr Ashurst:** Those digital communities were determined through consultation with the First Nations Digital Inclusion Advisory Group as well as states and territories and ultimately the communities themselves as to whether they wish to participate in that program.

**Senator COX:** In relation to the improving of the national collection of data on First Nations inclusion, is this the money that went to RMIT—the \$6 million?

**Dr Ashurst:** Yes. An amount of \$6 million has been allocated to RMIT under a grant arrangement.

**Senator COX:** Is this new work, Mr Ashurst, or is this a continuation of the work from the previous IDN that was established alongside community controlled organisations, the University of Melbourne, ANU, AIATSIS and the national network of community controlled organisations in order to ensure that work had already commenced? Is this new work that you're now funding RMIT for?

**Dr Ashurst:** It is, in effect, new work, but it builds on the Australian Digital Inclusion Index work which they've been undertaking over a number of years now. It's to supplement that index to provide greater granularity of First Nations communities and Australians.

**Senator COX:** I have one final question. How are you achieving data sovereignty?

**Dr Ashurst:** Through a number of mechanisms, but in particular RMIT is engaging closely with some of the organisations you've previously mentioned there, as well as employing First Nations representatives within RMIT but also in community to help support data collection, analysis and distribution after the data.

**Senator COX:** That's great. Thank you very much for that.

**CHAIR:** Senator Cadell.

**Senator CADELL:** I'll go as quickly as I can through stuff. As to department SBS relocation, my understanding is that we're now building not a full relocation but a production facility? Is that correct?

**Mr Chisholm:** That's right.

**Senator CADELL:** Do you have an understanding of facilities and staff? Do we know the percentage of staff or the number of staff who will be relocating under this?

**Ms Lopez:** Sorry. Can you repeat that question?

**Senator CADELL:** From the percentage of staff employed in SBS, do we have numbers who are moving and numbers who are not moving?

**Ms Lopez:** No. In terms of the new project, that's an establishment of an additional facility in terms of that production hub. It's probably a bit too preliminary in terms of identifying which staff would be affected by those new facilities.

**Senator CADELL:** There's no ballpark—10 per cent, 20 per cent or 150 per cent? Nothing?

**Ms Lopez:** No.

**Senator CADELL:** When will the new facility be open?

**Ms Lopez:** At this stage, what is being proposed is that SBS be developing a business case for establishing that new facility, and the aim is for that to be delivered by the end of this year.

**Senator CADELL:** So, it's not actually finalised that it will happen; they still have to do a business case?

**Ms Lopez:** That's correct.

**Senator CADELL:** So, no decision has been made to go ahead with the western production facility?

**Ms Gannon:** SBS has been funded to undertake a business case, as Ms Lopez said. That comes out of work that the department led over the last two years on a feasibility study for a relocation of SBS. SBS has received funding over two years to undertake the business case, which gives you the time line for the business case, but they are leading that work. I'd suggest that questions about the timeframes and their program of work be directed to SBS.

**Senator CADELL:** In a previous life, I did a business case for a \$2.7 billion container terminal in 18 months. Why does it take two years for a business case to build a shed?

**Ms Gannon:** The funding—

**Mr Chisholm:** It's more than a shed in Western Sydney.

**Senator CADELL:** It's a production facility. It's not a \$2.7 billion container terminal, is it?

**Ms Gannon:** The funding is being provided over two financial years, but the questions about the work program are best directed to SBS.

**Senator CADELL:** We had a promise from the previous government that it would look at relocating SBS's headquarters. That has come down to a proposal to do a business case on building a production hub in Western Sydney; is that right?

**Ms Gannon:** That was what the government announced on 8 December.

**Senator CADELL:** I am happy with that. Thank you very much. Very quickly, I will touch on the On Farm Connectivity Program again. By the time you get here the question will be answered, I'm sure! It was very successful. My understanding is that on 8 November the plan opened. By 12 November the National Farmers Federation had an information session to help people with it, but they had to shut that down before it even happened because it was oversubscribed within three days; is that correct?

**Mr Chisholm:** The program was fully subscribed very quickly, yes.

**Senator CADELL:** NFF cancelled their information brief because it was already oversubscribed, I was told?

**Mr Chisholm:** I think it's fair to say we didn't quite anticipate how popular it would be.

**Senator CADELL:** Because the first one took six months to fill.

**Mr Chisholm:** We have definitely taken that on board for future rollouts, but the strength and the volume of applications was like nothing we've seen before.

**Senator McAllister:** Round 2 was larger in financial quantum than round 1. It was really that the program had generated quite a lot of traction in round 1 and there were very high levels of interest.

**Senator CADELL:** Round 3—I think last time we were here there wasn't a round 3 on the books that had been announced. Where is the funding for that coming from?

**Mr Grunhard:** That's \$20 million that the government has announced within the Better Connectivity Plan funding envelope. The minister announced that would be run later this year following some consultation, partly to

deal with exactly the questions you were just raising about the rate at which the program was subscribed to. We'll be doing some further consultation with industry and, indeed, we've already commenced that consultation.

**Senator CADELL:** Where has that been reprioritised within the envelope? Was that just spare money sitting around or have we had to take it from another program?

**Mr Grunhard:** The \$20 million for that was within the BCP, the Better Connectivity Plan, allocation. I'll just have to check on notice for you exactly what that was previously allocated to.

**Senator CADELL:** Which mini bucket.

**Mr Grunhard:** It was certainly within the Better Connectivity Plan.

**Senator CADELL:** Understood. Thank you very much. That's all I have on that one. I wish to ask questions on the misinformation bill, if I can, in the last five minutes. The misinformation bill disappeared from the papers last year. Did the department recommend that it be pulled from the legislative program?

**Senator McAllister:** I think the government was very clear about the reasons it was pulled. There was no pathway forward for this bill in the Senate and it was on that basis that the government decided not to proceed with the bill.

**Senator CADELL:** I understand. Did the department advise that the bill be withdrawn?

**Senator McAllister:** As a general rule, the approach we take in the chamber is informed by our relationships within the chamber and those are held by government senators. I'll ask Mr Chisholm whether he provided any additional advice.

**Mr Chisholm:** We don't routinely provide advice to government on what it wishes to do with bills that are before the chamber. I think the minister has answered the question in the sense that it's a matter for government how it wishes to manage the passage of—

**Senator CADELL:** I accept that's what happened and I accept you don't routinely do this. Did you do it on this occasion?

**Mr Chisholm:** We were supporting the government on the consideration of the bill and that was our focus rather than whether or not the government would choose to progress with the bill.

**Senator CADELL:** This is a pretty clear thing. I accept that the government chose not to do it. It's their decision. Did you advise the government, yes or no, to not proceed with the bill?

**Mr Chisholm:** Again, we just don't provide that advice.

**Senator CADELL:** You didn't? That's fine. So, you didn't provide that advice. I'll take that. The bill is sitting somewhere. What's the status of the bill now? Is it just sitting in a pile?

**Mr Chisholm:** The government has been very clear on its position with respect to the bill. There is no intention to reintroduce it, but that, of course, is a matter for government.

**Senator CADELL:** There's a question on notice, departmental question No. SQ24-00145, question 182. How much did the department spend on the exercise of the misinformation bill?

**Mr Chisholm:** I'll just check with my colleagues. Bear with us while we track it.

**Senator CADELL:** That's okay. I think it said \$80,000 from Clayton Utz to work out whether people like the misinformation bill.

**Mr Chisholm:** Yes, and that was in relation to the submission. We received how many submissions?

**Mr Hyles:** Over 2,000 submissions and over 20,000 comments.

**Mr Chisholm:** Clayton Utz assisted us with a document management exercise. Just the sheer volume of submissions was such that we got that support.

**Mr Hyles:** It's important to note that Clayton Utz didn't review the whole thing. We were only asking them to do a portion of a review; hence the reason we only got them to look at 1,100 files.

**Senator CADELL:** How were they selected?

**Mr Hyles:** How were they selected?

**Senator CADELL:** Yes. Was it a random sample or were they particular ones of concern?

**Mr Hyles:** It was the ones that were remaining outstanding to be reviewed.

**Senator CADELL:** So, you'd done the others, and then you passed it. What did they say? Did people like the bill?

**Mr Hyles:** Mixed reviews.

**Senator CADELL:** How often do we use external sources to review consultations and submissions?

**Mr Chisholm:** Certainly from my memory it's not common that we would do that, but it's also not common that we would get thousands of submissions. It was a sheer workload management issue for staff to bring that expertise on. It's a bit like if you engage a law firm to assist with document management exercises in other contexts. They've got that expertise and that really helped us to get through them swiftly.

**Senator CADELL:** Thank you.

**CHAIR:** Senator Darmanin.

**Senator DARMANIN:** Just quickly, I wondered if you could talk a bit about the consumer safeguards legislation. Specifically, with the introduction of the legislation to parliament quite recently, can you tell us a bit more about it, including any gaps or challenges in the laws protecting telco consumers at the moment and, therefore, what this legislation is really seeking to address?

**Mr Chisholm:** Absolutely. Before my colleagues speak to that in a bit more detail, I will say that the telecommunications consumer safeguards are part of a broader framework that has been a strong focus for the minister. This includes action on domestic violence, family and sexual violence, financial hardship, customer communication and complaints. These have been made directly enforceable through our work with ACMA. There has also been the establishment of a registration scheme and we're closely monitoring that work. It should be seen in the context of the scam work that we're doing as well, which is also strong consumer work. I'll ask Mr Grunhard and Ms Silleri to speak to that.

**Mr Grunhard:** You would be aware the bill was introduced into the House a couple of weeks ago. The bill targets a couple of weaknesses in the existing framework, particularly, as Mr Chisholm mentioned, introducing following quite a bit of consultation with the public and with industry a registration scheme for carriage service providers, which will allow much better oversight of who is entering the market and whether they're operating consistently with the rules that are there for carriage service providers. It also particularly targets some deficiencies in the penalties and the breaches that can be applied to carriers and carriage service providers. I might ask Ms Silleri quickly to run through that.

**Ms Silleri:** The consumer safeguards reform, particularly the telecommunications enhancing consumer safeguards bill, had four key elements, some of which Mr Grunhard and Mr Chisholm have touched on. The first element was to make part 6 codes directly enforceable rather than the ACMA having to go through a two-step process to enforce those codes. The second element was around increasing reform and reforming penalties for breaches of codes and standards and service provider determinations. The third element was adjusting the infringement notice provisions across a number of applicable breaches. The last one was the establishment of a carriage service provider registration scheme.

**Mr Chisholm:** Some of those reforms are really significant in a consumer protection context because they are bringing telecommunications consumer safeguards up to speed with what we see in the Competition and Consumer Act and in other consumer protection provisions. At the moment ACMA does need to go through, as Ms Silleri said, this two-step process in relation to codes. You have to have an industry code in place first.

**Ms Silleri:** The industry code is in place and nominally it's voluntary to comply. The ACMA can say, 'We think you're in noncompliance', and then they have another go to confirm they're compliant. If they don't, the ACMA can then find a breach of that provision. This amendment would make it one step so they would just be able to say—

**Senator DARMANIN:** Easier for consumers?

**Ms Silleri:** 'You're in breach.'

**Mr Chisholm:** It's easier for consumers and much more streamlined in terms of regulatory compliance.

**CHAIR:** With that, we will conclude program 5.1. Thank you so much for your time today. We appreciate it. I will now call officers from the Australian Communications and Media Authority to the table.

#### **Australian Communications and Media Authority**

[11:32]

**CHAIR:** Would you care to make an opening statement?

**Ms O'Loughlin:** We have no opening statement. I am happy to take questions.

**CHAIR:** Senator Davey.

**Senator DAVEY:** Thank you for your appearance again today and thank you for your ongoing reporting of Australian content, which always makes for very interesting reading. However, this year it's not all good news,



unfortunately, in the reports, particularly when it comes to reporting on the increased spending on SVODS, streaming video on demand services. The report for the 2023-24 financial year does show an uptick in expenditure from the preceding year, which was decidedly lower than the year before that. Can we identify whether part of that uptick is potentially because of expenditure on sports, particularly during an Olympics year?

**Ms O'Loughlin:** For the 2022-23 financial year reporting SVODs reported around \$70 million on Australian sport, and in 2023-24 they reported just over \$103 million on Australian sport. I'll ask my colleague Ms Field, but I don't think we know whether that's attributable to Olympics yet.

**Senator DAVEY:** We don't know whether it's Olympics or just general sport?

**Ms Field:** No, we don't know whether that is a direct correlation with the screening of the Olympics, but I can confirm that there were expenditures in relation to sports.

**Senator DAVEY:** Sports expenditure between the two years went up \$33 million, whereas for expenditure on Australian content—I haven't got the totals in front of me, sorry—the increase in expenditure wasn't quite \$33 million between the two years?

**Ms O'Loughlin:** There was an increase, from my figures. In 2022-23, the total expenditure by SVODS on Australian programming was just over \$324 million, and in 2023-24 it was \$341.5 million.

**Senator DAVEY:** An increase in expenditure of \$20 million and an increase in sports expenditure of \$33 million? So, sports is going up; drama, documentary—

**Ms O'Loughlin:** Children's drama came down considerably. Australian documentary came down, but Australian drama went up from \$195 million to \$201 million.

**Senator DAVEY:** Yes, and it is a concern that Australian children's content has got to its lowest level since reporting started, which was in 2019-20.

**Ms O'Loughlin:** I don't have the previous years on that.

**Senator DAVEY:** I do.

**Ms O'Loughlin:** As indicated, you are correct.

**Senator DAVEY:** Yes. Before anyone yells at me, I do understand that the removal of children's content quotas was done under our government. Mea culpa. However, this government has been in place for nearly three years and has not reversed that. Despite having a lot to say when the children's content quotas were taken out, we haven't heard anything from the government since. In 2019-20, when children's content quotas were required, there were 101 hours of children's content, and in 2023-24 there were only 35 hours. That's quite a decline.

**Ms O'Loughlin:** Yes, it is.

**Senator DAVEY:** I also note that, from what I can work out, most of the commissioning of children's content has been done by the ABC, some \$18 million, whereas others are only about \$3 million. When we're talking about 'others', that's all others, isn't it? That's SVODs and free to air?

**Ms O'Loughlin:** Looking at my notes to try to add things up quickly, I think that's probably right. I think it's fair to say that free-to-air commercial broadcasting no longer plays in the children's drama space. That's partly because of the economics around children's programming and also that children were moving away from free-to-air broadcasting to particularly the ABC. With the introduction of ABC2, there was a big shift of children to those, mainly because, of course, that was considered a safe zone for children as well because there was no advertising. We have seen that shift over time. The streamers have done some children's drama, but we really haven't investigated with them what their reasoning is for reducing what they're doing. It seems to be just choices that they're making.

**Senator DAVEY:** Just to be clear, despite the fact that the ABC is clearly still spending money on children's content, when you report on Australian content quotas on free-to-air TV, you don't report on the ABC?

**Ms O'Loughlin:** No.

**Senator DAVEY:** The ABC is outside the content quota?

**Ms O'Loughlin:** There are no reporting requirements on the ABC of their expenditure on Australian content.

**Senator DAVEY:** Just on content quotas, I note my colleague Senator Hanson-Young had a question on notice last year, question No. 163. In response, ACMA stated that reports on content expenditure by SVODs is data provided on a 'set of agreed metrics which has been refined through consultation between the ACMA and SVOD providers over time'. Are those metrics publicly available?

**Ms O'Loughlin:** I don't believe they are. It is an arrangement which is a voluntary arrangement with the SVODs at this point in time. I'm happy to take on notice whether or not we could provide those to you.

**Senator DAVEY:** All other data sets that are defined through the Broadcasting Services Act are all clear and publicly available. I acknowledge it is a voluntary situation at this point in time.

**Ms O'Loughlin:** We are using the same definitions for reporting around what is Australian for the SVODs as we are for other content providers. We'd be happy to take that on notice for you.

**Senator DAVEY:** That would be appreciated. In relation to the figures that are reported to you on a voluntary basis, how do you verify and check the integrity of those figures?

**Ms Fraser:** There's a process over a couple of months where we receive the data from the SVOD providers. There is some back and forth around verification to make sure the numbers make sense and speak to each other. I can take on notice some further detail about the specifics of that verification process, but just to say that there is a back and forth that happens over a period of months.

**Senator DAVEY:** It would be very much appreciated if you could take that on notice. I also note that there is a lot of public interest in knowing when there's reporting of the expenditure figures, how much of that expenditure is actually made up of what is then provided as a tax rebate, because that's not broken down at the moment, is it?

**Ms O'Loughlin:** No, it's not.

**CHAIR:** Senator Hanson-Young.

**Senator HANSON-YOUNG:** Ms O'Loughlin, I asked you some questions last estimates in relation to the decency and appropriateness of the *Kyle & Jackie O Show*. You took some questions on notice and we've got answers back on some of those. In your answer to question No. 45, you state:

On 18 November 2024 ACMA opened a new investigation into the Kyle & Jackie O Show in relation to comments broadcast on 6 July 2024. The complainant alleges the broadcast contained sexually explicit content, and that they did not receive a response from the broadcaster as required by the Code.

What's the status of this 'new investigation'?

**Ms O'Loughlin:** I might start there and then I might give you a bit more of an update of the actions we've taken since our last discussion. There are actually two existing investigations around the same program because they are different licensees, and that is pointed around explicit sexual content and failure to respond to complaints. We're in the final stages of that investigation. I expect that will be settled in the coming weeks and we will make our findings public at that point.

**Senator HANSON-YOUNG:** I do want an update on all of those other complaints, but could I just ask this—and I'm reading from your answer to my question. It states:

The complainant alleges the broadcast contained sexually explicit content, and that they did not receive a response from the broadcaster as required by the Code.

Can you explain to me what that means? Is it that the radio station is just ignoring this?

**Ms O'Loughlin:** As you will be aware, under the current provisions in the BSA, complainants need to go to the broadcasters first. They can come to us if they don't receive a response in an appropriate time frame. They can also come to us if they're not satisfied with the response. I think in this circumstance it was that they were not satisfied with the response from the broadcaster.

**Ms Field:** Actually in this case they did not receive a response.

**Senator HANSON-YOUNG:** There's all this vile rubbish being broadcast on the radio. A listener makes a complaint to the radio station, the broadcaster, and they're not even being given a response. That's effectively what you're saying here?

**Ms O'Loughlin:** Exactly, which is why we're investigating it. It is a requirement under the code for them to respond. So, that's the subject of the investigation.

**Senator HANSON-YOUNG:** You're in the final stages of that investigation?

**Ms O'Loughlin:** Yes, we are.

**Senator HANSON-YOUNG:** How long do you think we are from having a response?

**Ms O'Loughlin:** Weeks.

**Senator HANSON-YOUNG:** I also asked some questions in relation to the number of complaints that the broadcaster had received, and you've given us some answers. There are hundreds of them. What will ACMA do to stop this rubbish being broadcast on air in this way?

**Ms O'Loughlin:** Perhaps I can give you an update since our last discussion, when you provided some examples of content which were of concern to people. We had not received complaints about that content. We had these two investigations going on about different content, but we hadn't received those particular complaints. After being provided that information by you, we contacted ARN, which is the licensee involved. We requested the material which was the subject of those matters that you identified to us. They provided that to us in late December. We have reviewed all of that content and we have opened a number of investigations around some of that content, but we've also decided to do a broader investigation about whether there are systemic issues in the program which is allowing content of concern to go to air, and whether that content breaches the code of practice. That investigation is underway.

**Senator HANSON-YOUNG:** That was going to be my next question. If we're playing Whac-A-Mole with individual complaints on such a show that is so prolifically broadcasting this type of sexist, misogynistic content, that makes it very hard. I think a more systematic investigation is required. Even just since 20 January, there is a litany of content I've been given that is at the same level as what I presented to you last time.

**Ms O'Loughlin:** We'd be pleased to get that information from you. As I said earlier, it is sort of surprising to us—and this is something we need to think about as a regulator—that we're not getting complaints on the program itself. If you're receiving material, we're very happy to look at that and include that in our systemic investigation.

**Senator HANSON-YOUNG:** Are you saying that individuals, community organisations or mums or dads who are sick of having this rubbish playing on the radio don't know how to put in a complaint to you? So, you're just not getting them at all?

**Ms O'Loughlin:** That's something we would like to think about. People should know they can come to us if they have concern right across radio and television. I think it's surprising to me that we don't get—

**Senator HANSON-YOUNG:** Do you think there's a flaw in the system, that the complainers have to go to the broadcaster only then just to be ignored, as we've found out?

**Ms O'Loughlin:** That's a particular circumstance. The other circumstance may be that they are satisfied with the response they get from the broadcasters and they don't come to us. I think it is worth us thinking about making sure people know they can complain to us.

**Senator HANSON-YOUNG:** I have a whole litany of things from 20 January that I can give you, so I will.

**Ms O'Loughlin:** Thank you.

**Senator HANSON-YOUNG:** Have you ever taken direct action as a result of an investigation into the *Kyle & Jackie O Show*?

**Ms O'Loughlin:** Yes. We've in the past taken two particular enforcement actions. On 17 March 2023, we accepted an EU from ARN following findings of a breach of decency in relation to comments about the Paralympics. On 8 August '23, following a breach finding in relation to comments about Mpox, the licensee agreed to extend the EU. I might ask Ms Field or Ms Fraser to talk about what the content of that EU actually is.

**Ms Field:** The EU broadly requires the licensee to confirm the employment of a second censor for the program for a period of two years. So, there are now two censors required on that program, and to update and deliver code training to include sensitivity training, undergo an independent audit of its systems and processes, report to the ACMA within three months on the independent audit, and report to the ACMA every six months for two years. We have received three six-monthly reports required under the EU, and we have assessed the ARN as meeting those obligations in relation to that specific enforceable undertaking. The fourth and final report of that EU is due to us on 17 March this year.

**Senator HANSON-YOUNG:** Could I have a copy of those three reports?

**Ms Field:** I'll take that on notice for you. I don't have them in front of me.

**Senator HANSON-YOUNG:** I'd like them tabled.

**Ms Field:** We believe they're available on the ACMA website as well.

**Senator HANSON-YOUNG:** You mentioned sensitivity training. Whom would that be directed at?

**Ms O'Loughlin:** I think there was a broad range of people within the organisation that was aimed at. We might need to take that on notice in terms of the detail. But it was producers and the censors and I believe the broadcasters as well.

**Senator HANSON-YOUNG:** You've asked for sensitivity training. Has Kyle Sandilands done this training?

**Ms Fraser:** Presenters were required to do training under the EU, and, as part of the assessment of the EUs, we understand they've undertaken that training.

**Senator HANSON-YOUNG:** Back in 2023?

**Ms Fraser:** We might take on notice the timeframes of when they did the training and the requirements of the EU around how frequent that training—

**Senator HANSON-YOUNG:** Do you think the training has worked?

**Ms Fraser:** I think this goes to why the ACMA is having that more systemic look at the show. We know that we have this enforcement action on foot and we know that these are the requirements that are being met under the EU, but there are obviously still concerns about the content that's being broadcast. So, that's something for us to consider as part of the investigation.

**Ms O'Loughlin:** That's why we factor in that we really should look at a more systemic investigation given that we have taken action previously and we're still getting material that is of concern to people, in particular on the same matters in terms of the decency provisions in the CRA Code.

**Senator HANSON-YOUNG:** I'd be interested to know whether you've got any evidence that Mr Sandilands has done any of this training and what the content of that training was. From what I can see, he's learnt nothing.

**Ms O'Loughlin:** We'll go back over our records.

**CHAIR:** We are going to rotate the call now, but if you have anything further you want to provide the senator please do so on notice. Senator Payman.

**Senator PAYMAN:** Given the government's recent decision to abandon the Combating Misinformation and Disinformation Bill, does ACMA believe current self-regulatory arrangements under the Australian Code of Practice on Disinformation and Misinformation are sufficient?

**Ms O'Loughlin:** We'll continue our oversight role of the voluntary code on misinformation and disinformation. We will continue to work with DIGI and the platforms who are signatories to that code. We, in our reports to government, including the third report which was delivered last year, have continually raised some issues that we see in the code. I think the major point that we are concerned about is the transparency of what the platforms are doing to address the provisions in the code and whether those actions are sufficient and effective. That's where we're very focused in our discussions with the platforms.

**Senator PAYMAN:** Just on having concerns around the quality and consistency of transparency reporting, and the September 2024 report that you just referred to, is ACMA engaging with platforms to establish those clear performance benchmarks? What has been the response so far, if you have made recommendations?

**Ms O'Loughlin:** You're correct. We provided our third report to government in September last year. We indicated that there was still ongoing concern in the Australian community around misinformation and disinformation. We accepted that the platforms were providing some insights into things by the provision of case studies, but we felt that the transparency reports they provide to us actually lack sufficient levels of consistent Australian trended data, either by individual signatories or across signatories, and there were data integrity issues as well. We find the transparency reports aren't really giving a full view of what the platforms are doing and how effective the actions they're taking are. That will be a matter that we will be continuing to discuss with them. We also have wanted them for some time to develop some key performance indicators that they could be assessed against. That hasn't happened to date. We do remain concerned. Again, we will be working with the platforms to see that whole framework improved.

**Senator PAYMAN:** You mentioned stronger governance and better reporting frameworks. In the absence of legislative powers, what mechanisms does ACMA currently have to hold platforms accountable for misinformation and disinformation?

**Ms O'Loughlin:** It remains a voluntary code. So, we don't have powers.

**Senator PAYMAN:** Would you like to see it being strengthened and pushed further than just a voluntary code?

**Ms O'Loughlin:** We, in our first report to government in 2020, indicated that we would strongly support legislative approaches, and we were very supportive of the bill.

**Senator PAYMAN:** Your report discusses international regulatory developments, in particular in the EU and UK. What lessons has ACMA taken from these models and where do you hope or believe Australia should pursue a similar approach? I think the EU is probably the main area of interest for us about how they've progressed their legislation, but that's also emerging in the UK as well. We have a lot of discussions with fellow regulators internationally to learn from what they're doing and to apply that here. Of course, there's only a certain amount that we can do while it remains a voluntary code. But we similarly are aligned with our colleagues internationally

around really pushing the transparency issue of platforms so that people can have some confidence that they are actually putting in place measures to address misinformation and disinformation.

**Senator PAYMAN:** Under the News Media and Digital Platforms Mandatory Bargaining Code, news publishers registered under the code are entitled to be paid by digital platforms for their news content and these publishers must be subject to one or more sets of editorial guidelines. Can ACMA revoke a registration under the mandatory bargaining code where a news publisher demonstrates a flagrant disregard for the Australian Press Council standards or violates its own nominated editorial standards?

**Ms O'Loughlin:** With the register that we keep we do an assessment at a point in time of the news sources that are to go on the register. We do have the power to revoke. I will pass to my colleague.

**Ms Field:** We assess whether a company meets a number of tests under the code and, if they failed to meet those standards or they've changed over a period of time, we could remove them from the register. But the current requirements are in relation to the Australian audience test: does the news source predominantly operate in Australia for the purpose of Australian audiences? There are professional standards tests around whether the news source is subject to professional standards. There are revenue tests and then a corporations connection test. Those are the tests that we determine eligibility to be registered and those would be the criteria. Yes, we are able to remove people.

**Senator PAYMAN:** What happens when there is repeated non-compliance which basically indicates a failure to meet the professional standards test that's required for registration?

**Ms Field:** I'm happy to take that on notice and provide you with some more information. I'm not aware of any allegations of repeated non-compliance that have come to us.

**Senator PAYMAN:** What's been brought to my attention is the Press Council had investigated the *Daily Telegraph* with respect to 46 separate matters, and of these 46 the *Daily Telegraph* was found to have violated the standards of practice 57 per cent of the time. That's what I was a bit curious about. How can a news outlet break the rules on 26 separate occasions and still be described as subject to the standards of practice under the Competition and Consumer Act? If you could provide more information on notice, that would be helpful. Is there an independent enforcement panel that regularly audits registered news publishers to determine whether they uphold their chosen editorial guidelines?

**Ms O'Loughlin:** No, but we have been internally looking at who is on the register and, I think probably more from the point of view as Ms Field mentioned, whether they're continuing to reach those tests for which they were assessed when they originally went on the register, in particular the Australian test, and are they providing public interest journalism? We have been doing some internal audit around those tests just to make sure that those people on the register should still be on the register. That work is ongoing at the moment.

**CHAIR:** Senator Darmanin.

**Senator DARMANIN:** I had some questions about the media release that was published this morning about new protections for victim-survivors of family violence. Could you talk a bit more about what is being proposed to strengthen customers experiencing family violence, and also talk about why these have come about—for example, the gaps in existing frameworks that you're seeking to address—and how that will work?

**Ms O'Loughlin:** We have been concerned about how the telcos assist and support victim-survivors of domestic and family violence for some considerable length of time. The existing rules were only contained in a guideline for the industry rather than it being included in codes. We were very aware that the minister was very concerned about this issue as well. We worked very closely with the department and the minister to understand the issue. The minister directed the ACMA on 10 December last year to make an industry standard. We have released that standard for public consultation this morning.

**Ms Rainsford:** The draft standard we've released for consultation this morning would require all retail telcos to have and implement policies and procedures around how they interact with victim-survivors of domestic and family violence and to set out some proposed minimum requirements around those policies and procedures. It would require that telcos publish a statement so that it is clear what assistance is available to DFV victim-survivors. It would put in place minimum training requirements for staff and that training is required to be informed by experts in the DFV field. It proposes a range of substantive protections around things like disconnection of services, methods of communicating with DFV victim-survivors, prohibitions on telcos in any way requiring a victim of domestic and family violence to engage with the alleged perpetrator as they try to sort out whatever is going on with their telco services. There are some additional proposed security and privacy protections for DFV victim-survivors and assurance programs that would be required to be implemented and oversighted at a senior management level. As I said, that's a consultation we've put out there.

In recent months we've done some targeted consultation with experts in this field. That's included, for example, the 1800-Respect Stakeholder Panel, Women's Services Network, the First Nations Advocates Against Family Violence, the First People's Disability Network, Caxton Legal Centre and members of our Consumer Consultative Forum, which includes the Consumer Action Law Centre, the Isolated Children's Parents Association, Safe and Equal, and the Regional Rural Remote Communications Coalition, among others. We've also talked to the telcos to better understand their existing practices, and a range of engagement across government, including the eSafety Commissioner, the Family Safety Area of the Attorney-General's Department, the First Nations Digital Inclusion Advisory Group and the Department of Social Services 1800-Respect team. That's informed what we've put out for consultation today, and we're looking forward to feedback over the consultation period. We've also scheduled two workshops, one for consumer advocates where we can work through what they're seeing, what they think we might have missed, where they think we might have miscalibrated, what seems to be working, and also one with industry so we can understand their views ahead of obviously considering all of the feedback we get post the consultation and making that standard by 9 June.

**Senator McAllister:** This is obviously a high priority for Minister Rowland. She wrote to ACMA in October last year directing them to undertake this work. We're really pleased to see the progress that is being made. I think at a personal level you will recall how frustrated we were in the previous government that so little action was taken to deal with some of the systemic issues that women were routinely confronting when they were trying to work through some of these large bureaucracies that were inadvertently placing additional risks in the paths of women who were surviving violence at that time. This is one of many steps that have been taken to make sure that we have systemic protections in place for women in addition to some of the core services that we are also funding and delivering.

**Senator DARMANIN:** That is an amazing amount of work in such a short period of time in terms of consultation and involvement of stakeholders. That's really great to hear. Just to confirm, it will be ready for the 9 June implementation?

**Ms Rainsford:** The standard needs to be made by 9 June in accordance with the minister's direction. We're consulting on what is the best time frame for the protections to start after that. There may be a case that some start immediately or that some need to be delayed. In part, that reflects feedback from the consumer advocates in this space that it is important that appropriate arrangements are put in place to meet those protections. There's a balance to be struck between making sure that we don't see unintended consequences through the implementation. But we're certainly working on the basis we want all protections in place at the earliest possible opportunity.

**Ms O'Loughlin:** The consultation process is really an opportunity for us to hear from the broadest group available to help inform us to come up with a standard that will be put in place as quickly as possible and deliver for victim-survivors.

**Senator DARMANIN:** That's great. Who will be responsible for the enforcement?

**Ms O'Loughlin:** That will be us.

**Senator DARMANIN:** Senator Liddle.

**Senator LIDDLE:** Continuing with that theme, can I ask how many complaints ACMA is receiving each month from family violence victim-survivors regarding technology facilitated abuse of any kind?

**Ms O'Loughlin:** I think technology facilitated abuse would be a matter for the eSafety Commissioner, who will be on later today.

**Senator LIDDLE:** In terms of phones?

**Ms Rainsford:** Technology facilitated abuse is under the jurisdiction of the eSafety Commissioner.

**Senator LIDDLE:** I mean any technology facilitated abuse. You don't include the carriage services in that?

**Ms Rainsford:** Certainly, we're very well aware of the fact that the use of technology and communication services, whether that's broadband, mobile or the like, can be a vector for the perpetration of abuse. In terms of the ACMA's remit, we're not a direct handler of complaints from members of the community about those services. We don't generally get those sorts of direct complaints.

**Senator LIDDLE:** You did say before that you were becoming aware of increasing issues. So, I'm asking you: how do you know that? What are you getting in your figures, in your complaints?

**Ms Rainsford:** Certainly through our engagement over a number of years now with, in particular, advocates for consumers, whether that's ACCAN, the peak body for telco consumers, the Consumer Action Law Centre, and a range of other stakeholders, we've heard over time of concerns brought to their attention by people who are experiencing domestic and family violence and who are experiencing difficulties with getting appropriate and safe

services when they're engaging with their telcos. As a follow-up to that, under the compliance priority we set in the last financial year, we went in and did an audit, if you like, of a number of telco practices around this, and that added to our concern that there weren't enough protections in place, which contributed in effect to the outcome that the minister directed us to make this standard.

**Senator LIDDLE:** You don't have any quantitative data on which you've made this decision available to you that I don't know about? There's no new data? You do not have specific data; you just have information from consultations with people in the sector?

**Senator McAllister:** I think the officials just informed you that they undertook an audit and that informed the decision taken by the minister.

**Senator LIDDLE:** No, that's an audit. That's not data that actually tells me that you've actually got something that tells you that there's been—

**Ms O'Loughlin:** We have a lot of information, particularly from those advocacy groups. A lot of the information that came to us reflected specific cases that they were seeing that were very disturbing, particularly on the point of telcos requiring a victim-survivor to come into a store with the perpetrator of the violence to change their account. We were given quite extensive and detailed information from those advocacy groups. We also looked at stats from the TIO, I would expect, which is where people need to go to complain about their telcos. It was really pulling all of that information together. We were able to advise the minister of what we were observing, which was of great concern, and therefore moved to a direction and putting in place the standard.

**Senator LIDDLE:** You talked about the guidelines being already in place. What protection does the standard provide above and beyond what you couldn't get from the guidelines?

**Ms O'Loughlin:** The guidelines were not enforceable. That's the main point. The standard is enforceable by the ACMA. I think we've included some of those things that were in the guidelines in the standard but significantly expanded it.

**Ms Rainsford:** Yes, that's correct.

**Senator LIDDLE:** In terms of the exemptions for different providers, are there exemptions in the standard?

**Ms Rainsford:** No.

**Senator LIDDLE:** There are no exemptions in the standard?

**Ms Rainsford:** It's a draft standard that we've put out at the moment, but at this point it is drafted in a way which would cover all retail service providers.

**Senator LIDDLE:** You're not expecting anyone would be exempt from this?

**Ms O'Loughlin:** No, that's not reflected in the draft. Obviously, we might get feedback around that which will need to be considered. But, no, we're working on the basis that the protection should cover the entire industry.

**Senator LIDDLE:** You mentioned compliance. We all know that implementation is key. You can make an announcement, but it doesn't mean it actually does anything. What is it that triggers for you to do something or to act on something?

**Ms Rainsford:** There are a number of things that could trigger action by us. Typically, as a starting point, when we put new rules in place, we do a range of proactive audits against sectors of the industry to check that they have uplifted their practice and are complying with the obligations in the new standard. In addition, we regularly engage with the TIO to understand what they're seeing. Have they got any concerns around the escalated complaints they're getting that might warrant us having another look? A number of those consumer advocacy groups regularly share information and data with us, which we routinely look at to see whether it raises any concerns around compliance with the requirements. Likewise, we get quarterly complaints data directly from the top 30 or so telcos. That's covering most of the market. If that shows up that there were indications that a particular telco may not be complying with their obligations, whether it was this standard or something else, that would trigger investigations too.

**Ms O'Loughlin:** As an example, as Ms Rainsford said, one of the things the standard requires is that the telco must have a domestic and family violence statement which is publicly available about what they will do to assist victim-survivors. That would be something which would lend itself to us auditing from a particular date that the telcos have delivered on that statement.

**Senator LIDDLE:** If I look at the standard, I can't see any reference to penalties or implications for non-compliance—

**Ms O'Loughlin:** That would be in the broader act rather than the standard itself.

**Senator LIDDLE:** You wouldn't put that out for consultation for people?

**Ms Rainsford:** There are provisions encapsulated in the Telecommunications Act. It's the same suite of enforcement powers, which covers everything from formal warnings through to being able to accept EUs, through to infringement notices and civil penalties being available. I think there are some other powers available that would apply across any breach of any standard that is made under the Telecommunications Act. That same suite would be applicable to this standard when made.

**CHAIR:** Senator Davey.

**Senator DAVEY:** Notwithstanding that I know telecommunications complaints go to the TIO, has ACMA received any complaints about the shutdown of the 3G network?

**Ms O'Loughlin:** Yes, we have. We received a range of complaints.

**Ms Rainsford:** Since the shutdown in late October we've received about 270 inquiries/complaints from members of the public that we attribute to the 3G shutdown. Most of those related to the device blocking arrangements that were put in place, or people being concerned that their devices were blocked for a range of reasons. There were very few about coverage issues. At this point we've looked at all of those, including in some instances working with the relevant mobile network operators, to understand what's happened.

**Senator LIDDLE:** To be clear, with the device-blocking arrangements, this was people who had a device that wasn't 4G or 5G compatible. They may have been aware that they were 4G compatible but not necessarily linked to the VoIP?

**Ms O'Loughlin:** The main requirement was making sure that the device would be able to connect to triple 0.

**Senator LIDDLE:** That's right.

**Ms O'Loughlin:** If it could not support a call to triple 0, the telcos would block that device.

**Senator LIDDLE:** The decision to block, however, was not taken by the telcos? That was a decision of the minister?

**Ms Rainsford:** Yes, it was.

**Ms O'Loughlin:** That was a direction from the minister to us, and we put in place the standard.

**Senator LIDDLE:** With the complaints that you've received, have you investigated this? Were people made aware that their devices would be blocked on a certain date?

**Ms O'Loughlin:** I think this has come up very strongly in the 3G committee. There was a huge amount of advice given to consumers across the country about what they might need to do, including the availability of being able to tell people quite easily whether the device they had would be able to continue to be used after the shutdown. There was quite a lot of public communication around the issue. In all of these transitions there are probably some learnings we can take from it about how that communication was made and whether it was successful.

**Senator LIDDLE:** At the last estimates we did hear that, in terms of the device blocking decision that was taken by the minister, she did not put out a press release. There was no press release from government to announce that this would occur. The telcos were only advised the week before that it was their responsibility to advise customers.

**Ms Rainsford:** No. The telcos were certainly aware from the point the minister directed the ACMA that they would be subject to rules around blocking from when those last two, the Telstra and Optus 3G networks, shut down. We worked very closely with the telcos over the intervening period as we worked up the amendments to the emergency call service determination. That determination itself had some minimum requirements for customer notification in them, both for the initial period and now that we're in an ongoing or more business-as-usual environment a series of notifications customers are required to get over a 28-day period before their devices are blocked.

**Ms O'Loughlin:** The minister directed us on 21 August—so that would have been made public—and the amendments to the emergency call service determination came into effect from 28 October. The telcos were very well aware of what was intended during that period.

**CHAIR:** Senator Hanson-Young.

**Senator HANSON-YOUNG:** Ms O'Loughlin, you would be aware that it has been reported that your agency has been engaged in swapping of press releases with the big telcos, Optus and Telstra, before you issue statements in relation to enforcement action; is that correct?



**Ms O'Loughlin:** It's a requirement for us to actually engage with regulated entities on matters that may affect them as part of that. We provide them with our investigation reports. We also provide a short period of time for them to factually check a media release. It is not a drafting exercise between us.

**Senator HANSON-YOUNG:** Why couldn't they just be given a copy of the press release embargoed? Why do they get to give feedback on it?

**Ms O'Loughlin:** Effectively, we give it to them under embargo to check facts. Sometimes, for example, the legal entity may have a slightly different name. Really, it is just a risk mitigation exercise to make sure we get the facts right before we make something public.

**Senator HANSON-YOUNG:** How often has this occurred?

**Ms O'Loughlin:** It occurs regularly, not just in the telco area; we also do the same due diligence with things like broadcasting investigations.

**Senator HANSON-YOUNG:** Have you ever sent a draft press release to the *Kyle & Jackie O Show*?

**Ms O'Loughlin:** Our communication would not be with the *Kyle & Jackie O Show*; it would be with the licensee.

**Senator HANSON-YOUNG:** Have you ever sent a draft press release or statement to the licensee?

**Ms O'Loughlin:** I'd have to check. I would expect it's usually standard practice. I'd add that it's standard practice of most regulators.

**Senator HANSON-YOUNG:** You do understand the perception that this creates?

**Ms O'Loughlin:** We would say that with the criticisms that came forward, we've gone back and looked at our processes. We think they're appropriate. Also, given some of the requirements under our legislation, we do advise people in advance where there might be reports or the reporting of those reports in a media release prior to those being released. We have taken on board the criticisms. We've looked at our practices, but we think they're appropriate.

**Senator HANSON-YOUNG:** The press releases that I'm particularly interested in are the ones in the ABC report from 27 January. You'd be aware which ones I'm talking about, the report on the ABC telco regulator—that's you—'under fire over deal with Optus that slashed fine'? You understand the case I'm talking about?

**Ms O'Loughlin:** As I said, we—

**Senator HANSON-YOUNG:** I just want to be clear. Do you understand the issue I'm talking about?

**Ms O'Loughlin:** Yes.

**Senator HANSON-YOUNG:** Could I please on notice have a copy of the draft press release that was sent in these cases and then the final that was released?

**Ms O'Loughlin:** Certainly.

**Senator HANSON-YOUNG:** In relation to the actual issue, how does the regulator justify cutting a deal with these big telcos—Optus in this particular case—to slash the fine for Optus after they had breached serious public safety rules that impacted over 200,000 Australian citizens?

**Ms O'Loughlin:** We did put out a statement correcting the record. We consider that ABC report misconstrued and misunderstood the role of the regulator and how we go about our business. We have a range of powers available to us for achieving compliance and enforcing the rules, which can range from matters such as a formal warning to a remedial direction, infringement notices, enforceable undertakings and, of course, going to court as we've done with the Optus data breach. We use those mechanisms flexibly. In that process there is naturally a discussion with a regulated entity about what will be the best enforcement outcome to get them into compliance. We reject the fact that it's a deal. It is a negotiated outcome.

**Senator HANSON-YOUNG:** That sounds like a deal to me.

**Ms O'Loughlin:** It's a negotiated outcome where we are sitting on the side as the regulator to say what is going to deter them continuing the behaviour, but also, particularly with enforceable undertakings, what are they going to do to make sure they're compliant in the future? These are processes and discussions that are undertaken by pretty much every regulator. We think they are consistent with our obligations and they deliver outcomes that are suitable in the circumstances.

**Senator HANSON-YOUNG:** I guess that's the question. It goes to the report by UTS in relation to the enforcement of telecommunications and consumer protections. I understand that you have disputed those findings?

**Ms O'Loughlin:** Yes.

**Senator HANSON-YOUNG:** These are figures that have been made available via the public release of the agency itself. People are starting to question whether ACMA is more of a lapdog than a watchdog.

**Ms O'Loughlin:** I reject that—

**Senator HANSON-YOUNG:** I struggle to see how that is not an accurate description.

**CHAIR:** I don't think name calling is appropriate.

**Ms O'Loughlin:** We have raised our concerns with ACCAN. We think that report underrepresents the extent of compliance and enforcement activities undertaken by the ACMA. We also think it was a point in time. We have undertaken extensive compliance and enforcement actions since that report, including 12 formal warnings, two remedial directions, 20 directions to comply, two enforceable undertakings and payment of close to \$7 million in infringement notices. We also filed civil penalty proceedings against Optus in relation to its September 22 data breach. In November 2024, we announced that Optus had paid \$12 million in penalties after breaching its obligations around emergency calling during its November 2023 national network outage. We believe that we are making appropriate responses to where we see compliance and enforcement issues using the broad powers that we have, directed towards what sort of harm is involved in those. We stand by that record. We also accept, though, that ACCAN has concerns about the regulatory framework, and we understand those concerns. That's a continuing discussion between us.

**Senator HANSON-YOUNG:** Do you believe that ACMA needs stronger powers of enforcement?

**Ms O'Loughlin:** We've talked today about the domestic and family violence standard. We've also introduced a financial hardship standard—

**Senator HANSON-YOUNG:** In relation to cracking down on the big telecommunications companies, do you think you need stronger powers?

**Senator McAllister:** Perhaps the official could conclude her answer to the question.

**Senator HANSON-YOUNG:** We are short on time, and I'd like some direct responses.

**Ms O'Loughlin:** I think the bill before the parliament at the moment will provide us with a significant additional power, so we don't have to go through this two-stage process on code. We think the registration scheme, which we've advocated for over many years, will be a really important intervention to make sure we can also deregister fly-by-nighters who are causing harms to consumers. We strongly support that plus the increase in civil penalties. These new standards coming in, as we discussed earlier, give us more powers than we have under codes.

**Senator HANSON-YOUNG:** Finally, could you please advise on the amount in penalties the industry has avoided due to these EU arrangements, deals or negotiations that ACMA has conducted? I suspect you'll have to take that on notice.

**Ms O'Loughlin:** No, I'd like to address it. Infringement notices are provided. The company can choose to accept the infringement notice or not pay it.

**Senator HANSON-YOUNG:** A deal?

**Ms O'Loughlin:** No, they can not pay it. That's the way infringement notices work right across the Commonwealth.

**Senator HANSON-YOUNG:** I'm asking how much these big corporations have avoided having to pay because of the way that you're conducting your complaints and investigations.

**Ms O'Loughlin:** That is completely speculative and would require us to think about what a court might decide. We would not go to court in many of these cases.

**Senator HANSON-YOUNG:** What about when you offer Optus a fine from \$3 million down to \$1.5 million? How many times have you done that?

**CHAIR:** Senator Hanson-Young, I will ask you to come to order.

**Senator HANSON-YOUNG:** With all due respect, Chair—

**CHAIR:** Senator Hanson-Young—

**Senator HANSON-YOUNG:** Ms O'Loughlin is not answering the question.

**Ms O'Loughlin:** That's incorrect. We don't believe that's—

**CHAIR:** Can everyone just stop. Thank you. It is my job to keep order in here. Having everybody shouting at each other does not qualify. Senator Hanson-Young, you've asked a question. You're not enjoying the answers. That doesn't mean that is not the answer that is appropriately provided by the witness.

**Senator HANSON-YOUNG:** Maybe I need to ask the question more clearly.

**CHAIR:** Ask your question.

**Senator HANSON-YOUNG:** How many instances occurred such as what you arranged with Optus where they got to choose between the \$3 million and the \$1.5 million fine? How many times has this occurred and how much has it saved these big corporations?

**Ms O'Loughlin:** As I indicated at the outset, these are negotiated outcomes. They also involved the negotiation of enforceable undertakings which require investment by the company to make sure they ensure future compliance.

**Senator HANSON-YOUNG:** But we've just seen from *Kyle & Jackie O* that's rubbish.

**CHAIR:** Senator Hanson-Young, please allow the witness to finish the answer.

**Ms O'Loughlin:** *Kyle & Jackie O* might be a particular circumstance. We don't see that with the enforceable undertakings that we see in the telco sector.

**Senator HANSON-YOUNG:** What are you doing differently with the broadcasters, then? You're not holding their feet to the fire enough? What is the difference? You're saying these are the mechanisms you have. We've got proof, on one hand, that it's not working. You want us to believe that it's working when it comes to the big telcos?

**Ms O'Loughlin:** I think it's a little hard to understand what question you're actually asking.

**Senator HANSON-YOUNG:** I'm asking why the watchdog won't be better at holding corporations to account; that is your job.

**CHAIR:** I think the official has told you that the approach they are taking is to bring the regulated community into compliance, and that they have a range of tools to do that. Ms O'Loughlin has stepped out to you exactly how they use those tools and their objectives, which are to have a community in compliance. The goal here is to have a regulated community that is operating within the rules.

**Ms O'Loughlin:** I'll just add very quickly that we do have different rules under the Broadcasting Services Act and the Telecommunications Act, but I won't go into further detail.

**Senator HANSON-YOUNG:** I would like on notice in how many instances you have struck an agreement where the fine has been reduced.

**Ms O'Loughlin:** We will consider that.

**Senator BILYK:** ACMA has been provided with funding to implement the new Media Diversity Measurement Framework. When will the first report be released?

**Ms O'Loughlin:** We've been developing the Media Diversity Measurement Framework, which is really to look at the levels of diversity across Australia's news media landscape and inform government decision-making in support of public interest journalism and media diversity. It has been a very large project for us. The current measures around media diversity are really just focused on what we call the voices test in the Broadcasting Services Act. We're of the view that, particularly with the growth of online sources of news, there should be a broader look at what diversity means in the contemporary environment. We've done a huge amount of work on that. We are getting close to releasing the first report, but I might ask Ms Field to talk about the framework and how we're going about it.

**Ms Field:** As Ms O'Loughlin said, we are in the very final stages. We're just in the editorial process. We anticipate that the report will be released in coming weeks. It has been delayed a little bit. We had hoped to have the report out at the end of the year, but there were some particular complexities with the volume of data that we have been assessing coming in from multiple sources and the need to ensure that quality of data. It will be coming out.

The framework is looking at six key indicators. The first three indicators relate to groups, controllers and owners, professional news work and professional news outlets. These relate to source diversity. The fourth indicator relates to content diversity. That's the extent to which content presents different voices, different viewpoints and demographic profiles. The fifth and sixth indicators are around news consumption, trust and impact. The report will be accompanied by six Power BI reports that will allow people to—

**CHAIR:** Sorry?

**Ms Field:** Power BI reports—interactive reports where people will be able to go in and pull out particular areas of interest to them, and that will accompany the written report.

**Senator BILYK:** You mentioned the six key indicators. Are you able to tell me anything about the findings of the first report, or is that still because the report hasn't been released yet?

**Ms O'Loughlin:** We haven't released the report as yet. It's taken us a little longer than we expected to get to finalising the report for publication, mainly because it's a very complicated set of data that we're pulling together. Some of that data is readily available; some of it currently isn't readily available. Alongside with the report we'll also be releasing what we think is the next stage of the reporting on news media diversity, which will require us to do quite a bit more work on getting additional data and research that might inform the report. It's very much an initial report at this stage.

**Senator BILYK:** Are you able to talk to me about the recent media mergers and acquisitions? What does that mean for media diversity in Australia—namely, the proposed Paramount owned Ten Network's acquisition of WIN assets and the proposed DAZN acquisition of Foxtel?

**Ms O'Loughlin:** All of those cases don't actually raise regulatory issues for us under the Broadcasting Services Act. I wouldn't have a view beyond that.

**Ms Field:** That's correct—none of those at this stage.

**Senator BILYK:** Thank you.

**Senator HANSON-YOUNG:** I will have a lot of questions on notice in relation to those two matters I've already raised with you. I just wanted to ask broadly about the current ACMA board. Do you have your full make-up of the board at the moment?

**Ms O'Loughlin:** The former deputy chair Creina Chapman retired in December last year. There is a process that is being undertaken by the department to appoint a new deputy chair to the organisation. In the meantime, Carolyn Lidgerwood is acting as deputy chair. Currently we have four full-time members where we usually have five.

**Senator HANSON-YOUNG:** Of those four, does that include you as chair?

**Ms O'Loughlin:** Yes.

**Senator HANSON-YOUNG:** Of the four of you currently who make up the board, do you all come from industry backgrounds?

**Ms O'Loughlin:** I do not come from an industry background.

**Senator HANSON-YOUNG:** The other three?

**Ms O'Loughlin:** Yes.

**Senator HANSON-YOUNG:** Could you table a list of the previous backgrounds of the board members?

**Ms O'Loughlin:** The current board members?

**Senator HANSON-YOUNG:** Yes.

**Ms O'Loughlin:** Certainly. That's included in our annual report. We're happy to take that on.

**Senator HANSON-YOUNG:** Minister, when do we expect the deputy chair position to be filled?

**Senator McAllister:** There may be departmental officials who can provide advice on that; otherwise, I'll need to take that on notice.

**Senator HANSON-YOUNG:** Do you have any idea, Ms O'Loughlin? Is it just up to the government to decide?

**Ms O'Loughlin:** That's a matter for the minister. We understand that the matter is very well progressed.

**Senator HANSON-YOUNG:** You'd expect it to be done before the election?

**Senator McAllister:** I don't think we can comment on that. I've taken it on notice in terms of whether there is more information.

**Senator HANSON-YOUNG:** How long has the position been vacant?

**Ms O'Loughlin:** Ms Chapman retired in December last year. It's only a couple of months.

**Senator HANSON-YOUNG:** Only a couple of months. Thank you, Chair.

**CHAIR:** We will now suspend. We release ACMA representatives. Thank you so much for spending some time with us.

**Proceedings suspended from 12:42 to 13:46****Australian Broadcasting Corporation**

**CHAIR:** Before we start this afternoon's proceedings, I would like to draw the attention of all senators to their obligations under the Behaviour Code for Australian Parliamentarians to treat witnesses with dignity, courtesy, fairness and respect. That includes not badgering, haranguing, harassing or raising your voice at witnesses, and not interrupting witnesses who are attempting to answer a question. I would ask that senators come back through the chair if they wish for a witness to be redirected. I would also note, for those who are observing these proceedings in the room, that privilege resolution 6.5 sets out that a person shall not wilfully disturb a committee while it is in session or engage in disorderly conduct while the committee is meeting. Those present in the gallery today are reminded that their presence is a matter for the committee, and any person present who is engaging in any disorderly conduct will be asked to leave the proceedings, and further disorder could result in that person being removed from the parliamentary precinct. With that said, I will now welcome officers from the Australian Broadcasting Corporation. I welcome Mrs Melanie Kleyn, Acting Managing Director and Chief Financial Officer. Do you wish to make an opening statement?

**Mrs Kleyn:** Yes, I do. The ABC welcomes this opportunity to address the committee. I would like to share some information about the ABC's recent performance as well as our plans for the upcoming federal election. Yesterday we received the latest digital news rankings for January, and I'm pleased to report ABC News is again Australia's No. 1 digital news publisher. Our audience across the month was almost 12.5 million Australians. This is a great demonstration of how much the public values our service. This result reflects ABC coverage of major global news events, as well as coverage of domestic issues such as housing and the cost of living. Once again, the ABC was the sound of the sporting summer. Through our unparalleled broadcast network and on demand audio we provided access to the thrilling Australia versus India cricket Test series and the Australian Open. The quality and breadth of our services means that across all broadcast and digital platforms the ABC reaches around 80 per cent of Australians each month. The ABC is also Australia's most trusted news provider. Some 79 per cent of Australians aged 18 to 75 years say they trust or highly trust the information they are provided by the ABC. This is significantly higher than any other media and information providers. It is well known that the ABC provides a vital emergency broadcasting service. So far this financial year we have covered more than 500 emergency events. In one week this month, we broadcast more than 76 hours of dedicated emergency radio programming on the North Queensland floods. A key focus for our coverage in coming weeks will be the next federal election. The ABC is ready to provide the necessary news, information and analysis voters need to make an informed choice. During the campaign, we will also be engaging with more Australians than in any previous election. As part of this, on Thursday we are launching Your Vote, Your Say. This initiative harnesses our unmatched network of reporters and radio programs based in more than 60 locations across remote, regional and metro Australia to make sure people's voices are heard and their concerns are addressed. We will also soon announce the suite of interactive election tools that will help voters understand the issues that matter most to them, highlight the questions they want candidates to answer, and explore their concerns and hopes for Australia's future. Elections give all of us a say in the future of the country and the ABC is ready to play its important role in supporting our democracy. I now welcome any questions from the committee.

**CHAIR:** Senator Henderson.

**Senator HENDERSON:** Could I firstly address the rationale for Mr Anderson, the Managing Director, not appearing today? I have received a copy of the letter that Mr Williams has provided to the committee, but it is disappointing he's not here. Can you explain why he's gone on leave now when obviously his tenure continues, I think, until 10 March?

**CHAIR:** I will just put on the record that the committee is well aware that Mr Anderson was not coming, as advised, due to ill health. Sorry—my apologies—he's on leave. I have the letter here if you would like a copy.

**Senator HENDERSON:** I have a copy.

**Mrs Kleyn:** Mr Anderson is on a period of approved leave.

**Senator HENDERSON:** Can I raise concerns about that, given he's still the Managing Director of the ABC?

**Mrs Kleyn:** That is noted.

**Senator HENDERSON:** You're the acting ABC Managing Director. Are you also the acting Editor-in-Chief?

**Mrs Kleyn:** That would be correct, yes, during this period. Of course, working alongside my colleagues Mr Stevens and Mr Fang.

**Senator HENDERSON:** Do they also have Editor-in-Chief responsibilities?

**Mrs Kleyn:** The acting Managing Director has the full responsibilities of the role, including Editor-in-Chief; that is correct.

**Senator HENDERSON:** Firstly, I wanted to ask you about the Lattouf litigation. Could you provide the committee with an update on that dispute, which is obviously garnering a lot of headlines at the moment?

**Mrs Kleyn:** Yes. The case is still before the courts. We have closing submissions Thursday and Friday of this week.

**Senator HENDERSON:** Can you please provide the committee with an update on this litigation?

**Mrs Kleyn:** That is the update I'm able to provide at this point in time. The case is still before the courts.

**Senator HENDERSON:** Are you able to provide an update on the legal fees spent by the ABC to date?

**Mrs Kleyn:** Yes, I am able to provide an update on that. In answering that question I would like to highlight that the ABC has tried on multiple occasions to settle the matter on a commercial basis. This is without admission of liability. The ABC maintains that it did not terminate Ms Lattouf's one-week casual contract unlawfully, but we do obviously understand that this is an impost on public funds. That is why we have tried to attempt to settle the matter. I just wanted to provide that context and I can provide that the amount spent to date is \$1.1 million.

**Senator HENDERSON:** Can you provide a breakdown of that expenditure?

**Mrs Kleyn:** I don't have that in front of me. Sorry.

**Senator HENDERSON:** Is that external legal costs? Does that include your own internal legal costs?

**Mrs Kleyn:** That would be external legal costs.

**Senator HENDERSON:** Does that include all of the counsel who are appearing on behalf of the ABC in these proceedings?

**Mrs Kleyn:** Yes.

**Senator HENDERSON:** What do you believe is their total estimated cost of this matter?

**Mrs Kleyn:** I'm not sure at this point in time.

**Senator HENDERSON:** You haven't done any forecasts?

**Mrs Kleyn:** I'm not sure at this point in time of the total estimated cost.

**Senator HENDERSON:** What has the ABC learnt in relation to this dispute? In asking that question, I also raise concerns about the ABC's apparent failure to properly do its due diligence before Ms Lattouf was hired.

**Mrs Kleyn:** I don't think at this point in time it would be appropriate for me to go into detail in response to your question in that the matter is still before the courts. We will of course be in a position post that and once we have the judgement to be able to talk at length in response to that question.

**Senator HENDERSON:** There is some controversy that's arisen. The former ABC chair, Ms Buttrose, has made public her concerns about the testimony of Mr Anderson. What can you say about that matter?

**Mrs Kleyn:** I'm afraid I really can't say anything on that matter. I have no involvement and no details on that matter.

**Senator HENDERSON:** Mr Anderson claims he's spoke to Ms Buttrose about the dismissal at an ABC office before a lunch that they both attended. Ms Buttrose has produced a taxi receipt and is disputing Mr Anderson's version of events. This is obviously a significant matter. Whom is correct?

**Mrs Kleyn:** I would not be able to comment at all on the different witness statements.

**Senator HENDERSON:** Could you provide information about Mr Anderson's diary, including on that day, please?

**Mrs Kleyn:** I'd have to take that on notice and see what's available.

**Senator HENDERSON:** Are you able to provide any information about whether a meeting did take place at ABC offices before the lunch to which Ms Buttrose refers?

**Mrs Kleyn:** Again, I'd have to take that on notice.

**Senator HENDERSON:** Did anyone investigate or examine Ms Lattouf's social media before she was hired?

**Mrs Kleyn:** I think these are matters that are being canvassed before the court at the moment. I don't think it would be appropriate for me to comment on those matters as they pertain to matters before the court.

**Senator HENDERSON:** I appreciate that this matter is before the court. It is a civil proceeding. I appreciate the position that you are in, Ms Kleyn, but I am asking quite a separate question in relation to the ordinary human

resources functions of the ABC when you're hiring anyone. Can I please ask you again: did the ABC investigate Ms Lattouf's social media and her activity and comments on social media? As you might be aware, I've been very critical of the ABC's mismanagement of its social media policy over many years. Did that investigation occur at all?

**Mrs Kleyn:** Again, if I can take that in two ways: one, I do think—and I'm trying to be very careful in what I say—these matters were canvassed before the courts. I do believe that. If you're asking me personally my knowledge, I was not involved in the hiring decisions. I stress I believe that was canvassed within the courtroom.

**Senator HENDERSON:** What's the normal process for the ABC when engaging any employee whether of a permanent or temporary nature? Is proper due diligence conducted? I put it to you that, if there had been proper due diligence, the ABC may have decided not to hire Ms Lattouf in the first place.

**Mrs Kleyn:** We do have extensive processes in recruitment. I might pass to Ms Amorelli to talk to the process if that's of assistance.

**Ms Amorelli:** Our recruitment processes do have steps as a part of those processes in terms of reference checking through the application process and, obviously, interviewing, with sometimes multiple rounds of interviews. It depends on the role, nature and seniority of the position. Those processes would normally run through the people and culture function or the HR function and lead to a hiring outcome.

**Senator HENDERSON:** You didn't mention any examination of a potential employee's social media; does that also occur?

**Ms Amorelli:** It is not always the case that we would examine a potential candidate's social media activity before hiring.

**Senator HENDERSON:** Isn't that a mistake?

**Ms Amorelli:** I'm not sure that I would call it a mistake. I don't know that the human resource effort required to canvass individual social media profiles through the hiring process is something that we would look at including in our recruitment processes.

**Senator HENDERSON:** In the context of news and information, you want to ensure that the person you're hiring has exhibited the highest standards of integrity in terms of their position on certain issues. Isn't that a fundamental obligation of the ABC, particularly when hiring someone who is conveying news and information? Of course, as you are well aware, section 8 of the act makes it a requirement of the board to ensure that all information is disseminated impartially and objectively.

**Ms Amorelli:** The reference checking and interview process is where we are able to engage with candidates around their suitability for a role. It is not a part of the process that we would usually examine social media activity for each individual candidate.

**Senator HENDERSON:** Ms Kleyn, is this something that you have looked at and are reviewing as a result of the revelations we're now hearing that you don't investigate someone's social media activity before you hire them?

**Mrs Kleyn:** Going back, I think, to one of your first questions, will we learn lessons? Will we reflect? We absolutely will reflect on this matter. We do reflect on this matter. It's not something that I can say in detail exactly what we will do as a result of this matter. Separate to that—and I understand we have canvassed personal use of social media on a number of occasions—our position remains that we have a code of conduct policy. We have guidelines that underpin that policy. We do not take it upon ourselves to review each and every member of staff's or potential member's social media.

**Senator HENDERSON:** I would say—and I've just made that same comment—that that has proved to be a very big mistake, because isn't it incumbent on the ABC to ensure that you are not hiring an activist or someone who has expressed particular views which might be contrary to your code or which might fall foul of your obligations under the ABC Act?

**Mrs Kleyn:** I answer the question in the same manner. There are certain issues I think that you're raising that we're engaging with in a current court proceeding. I can't answer things as they pertain to that current court proceeding. We have our personal use of social media guidelines that we always look to refine and improve, and we have our recruitment processes and policies. We always look to refine and improve.

**Senator HENDERSON:** I want to raise a concern about the competence of your lawyers. Mr Anderson, during the proceedings, was asked to comment in relation to evidence he gave during Senate estimates, which is privileged, and yet your lawyers did not raise objections. Why not? Are you able to provide the committee with any information about that?

**Mrs Kleyn:** I would not be able to respond to the lawyers' actions at a certain point in time in the case, but I'm happy to take that on notice.

**Senator HENDERSON:** We've raised a range of concerns about ABC lawyers in recent hearings, and I do want to raise another matter. Chair, I do want to go on to another issue. Is that an appropriate time to share the call?

**CHAIR:** That would be great. Senator Hanson-Young.

**Senator HANSON-YOUNG:** Firstly, surely ABC management can see that this whole affair has been handled badly and has resulted in quite a messy legal process and quite a messy public debate about the ABC. At a management level, this has been handled poorly, hasn't it?

**Mrs Kleyn:** I wouldn't agree that at a management level this has been handled poorly. There are many facets and many elements, as I have already stated. We are reflecting, and will continue to reflect, on this matter and we will learn what we can. I want to be clear that we're still in court. The process is still before the courts. We defend our position that we did not unlawfully terminate a casual contract. We will wait to see how this unfolds and we will continue to reflect and learn.

**Senator HANSON-YOUNG:** The bigger problem for the rest of the broadcaster, though, is questions of integrity, independence and respect for staff. Journalists themselves are indeed entitled to opinions, aren't they?

**Mrs Kleyn:** Yes.

**Senator HANSON-YOUNG:** Demanding from some that somehow Antoinette Lattouf should be held up as a warning sign for others who work at the public broadcaster, who dare to speak facts, who dare to have opinion is the last thing we want from an independent, fearless, trustworthy broadcaster, isn't it?

**Mrs Kleyn:** I don't think the ABC is taking that position with regard to Ms Lattouf.

**Senator HANSON-YOUNG:** A number of us have a lot of questions about this incident and how it's been managed, but I get the difficulty of it being before the court. I'm going to try to keep my questions to areas where I do think you can answer. In some of the reporting and, of course, in some of the evidence given in relation to how this unfolded, it was said that Chris Oliver-Taylor said that he was getting ahead of the story in relation to dealing with Ms Lattouf. What is the ABC's understanding of what 'getting ahead of the story' meant?

**Mrs Kleyn:** Again, I feel it is not appropriate for me to comment on specific evidence, as I understand it, that Mr Oliver-Taylor has provided in an ongoing matter.

**Senator HANSON-YOUNG:** We've had many exchanges in this Senate estimates session about the ABC having to respond and deal with criticism and attacks from the Murdoch press, particularly the *Australian*, but it's broader than that. Let's not beat around the bush. The *Australian* leads the charge on attacking the public broadcaster and the people who work there. When an attack happens, when the *Australian* newspaper decides to go after one of your staff, one of your journalists, what do you do? What's the first thing the organisation does?

**Mrs Kleyn:** There's a range of actions and protections we have in place for our staff. Firstly, we understand as employees of the public broadcaster the obligations we have. We garner a lot of feedback, positive and negative, and we accept that is part of doing our job. It makes us better. That's the truth of it. It makes us do our job better. When it comes to particular matters, it's really on a case-by-case basis. We have processes from a people and culture point of view that support our staff. We also have managers who do their role in welfare checks and in supporting our staff. It would be something we take as a case-by-case matter. I repeat myself: we have very strong people and culture processes in support of the welfare of our staff.

**Senator HANSON-YOUNG:** What about dealing with the fallout for the organisation? I'm asking this because of this phrase 'getting ahead of the story'. 'Getting ahead of the story' was a reference to getting ahead of the story before the *Australian* newspaper tore shreds off Ms Lattouf, as they do with other journalists who work at our public broadcaster. They have done it consistently. They continue to do it. They take glee and pride in it.

**Mrs Kleyn:** I truly don't know what Mr Oliver-Taylor was trying to convey by his words.

**Senator HANSON-YOUNG:** In relation to the Janke review, No. 4 of the recommendations is that the ABC improve its responses to public attacks. What steps have been taken internally by the organisation in relation to that reference?

**Ms Amorelli:** We're continuing to work through the recommendations of the *Listen loudly, act strongly* review by Dr Janke, which was delivered last year. On that particular recommendation, we have an existing wellbeing team. As a part of that team, we have support for social media. We have a social media adviser who provides training to staff on social media on protecting themselves online against bullying and trolling. That team works closely into the divisions with news and content to support staff. We are looking at how we continue to



grow our support for staff in response to those attacks. We have staff embedded in the different divisions to continue to do that. It's an ongoing challenge, as you know and as you're pointing out, and it is difficult, but it is something that we're very alive to. For example, just a couple of weeks ago there was a safer internet day and we conducted a panel where we had experts from across the organisation come and talk to experiences online and how to manage that. It really is a live discussion and we continue to put support around that.

**Senator HANSON-YOUNG:** What about at an organisational level or an editorial level beyond the individual staff member? When the ABC is under attack from the Murdoch press, that impacts your journalists doing their daily work. Up here in the gallery, if the ABC is being pulled to bits by Rupert Murdoch's favourite rag, how do you deal with it as an organisation—not just in terms of the welfare of individual staff? I'm trying to understand how you stand up for yourselves and for the integrity of the public broadcaster.

**Mrs Kleyn:** I apologise for repeating myself. We take feedback from many sources, positive and negative, on a daily basis. We respond in different ways. You may have seen our chair's statement quite recently where we put on the record, corrected the record, achievements of the ABC, and corrected statements, for example, that are relatively innocuous, in all honesty, that a presenter was in Paris who just did not happen to be in Paris. There is a range of things that we do to correct the record or to improve, I guess, the public discourse, the understanding of what the ABC does, and the value of the ABC. There is a range of individual responses to individual circumstances with our journalists. Mr Stevens, you might be able to talk to a few of those circumstances.

**Mr Stevens:** I can speak generally to our approach in the news division. I can confirm that News Limited does have a strange obsession with taking scrutiny beyond scrutiny and regularly agitating against the work of our journalists. We're flattered with their interest, but despite their very small readership we do engage and respond to a lot of their queries quite regularly and we do defend the work of our journalists almost every week. There are multiple queries a week. Having said that, as a public broadcaster we must be subjected to scrutiny and we must have a culture of accepting scrutiny and self-reflect where we get things wrong and be transparent about that. It's balancing all of those things. Defending the work of our journalists and the work that our presenters and journalists do generally as junior as they are or as high profile as they are is very important. Through that, if a legitimate concern has been raised about their work or conduct, we also have a look at that and work through what has occurred. I must say that by and large the queries being raised are disproportionate to the issues that are being realised.

**CHAIR:** We'll need to rotate the call. You have one final question.

**Senator HANSON-YOUNG:** Has there been any response from management to staff morale at the ABC since the court case has been in trial?

**Mrs Kleyn:** We can take that question in a range of directions. We have numerous conversations on a one-on-one basis with our staff. Without diminishing any aspect of this, the impact it has on our staff can depend on where you work in the ABC.

**Senator HANSON-YOUNG:** Of course.

**Mrs Kleyn:** Our staff, on balance, are amazingly resilient. As Mr Stevens noted, there is a high level of criticism that can come our way. They're a resilient group of people. We have responded, again, contextually, on a case-by-case basis as required. Ms Amorelli personally, in fact, has responded to specific concerns in email correspondence to the whole organisation. One way of putting it—we are very alive to the issue.

**Senator HANSON-YOUNG:** Thanks, Chair. I've obviously got lots of other questions.

**CHAIR:** Yes. We'll just keep rotating. Senator Darmanin.

**Senator DARMANIN:** I want to talk about Australia Day coverage this year.

**Mrs Kleyn:** Certainly.

**Senator DARMANIN:** Specifically, I'm not sure if you've seen it, there was an article in the *Australian* dated 26 January entitled 'McIntosh takes aim at ABC for focusing on "divisive" protests over Australia Day'. In it Melissa McIntosh, the shadow minister for communications, criticised the ABC for its Australia Day coverage. I was wondering whether you could, for the benefit of the committee, provide an overview of the ABC's coverage of Australia Day this year?

**Mrs Kleyn:** Certainly. I might start with a few comments, and then I will pass to Mr Stevens. I'll start by saying we completely recognise there is a divergence of views in the Australian community around Australia Day. In our news coverage, we reflect the diversity of views in our community. It's what the ABC Act requires. It's what our editorial policies require. But there's no doubt that the ABC recognises Australia Day as our national

day, and no other media organisation, I would say, comes close to the broad coverage that we provide in screen—I've got a long list, so I'll just say a few things, but I will pass to Mr Stevens.

We do the Australia Day Live coverage. We have the Governor-General's Australia Day message, the National Citizenship Ceremony, the Australian of the Year. We have extensive coverage online. We have audio coverage. Across RN, for example, we had *Big Idea*, *Saturday Extra*, *Rear Vision*, the *Science Show*, the *Australia Day Weekend Special*. So there is a long and extensive list of coverage. Mr Stevens, did you want to add anything to that?

**Mr Stevens:** Yes. Senator, we can provide on notice a collection of the full gamut of coverage that we did. Just as a small example, if you take our 7 pm bulletins that night, we covered an array of stories and events in regard to Australia Day. I know that, for example, in Melbourne, on the 7 pm news on the night of Australia Day, they led with a piece about the Australians of the year, which is obviously a significant moment. I know that most bulletins ran a package which captured some of the Aboriginal and Torres Strait Islander events that took place, including the Invasion Day march as a separate item. There was a really strong story about citizen day ceremonies and citizenship and community events associated with that. Then there was an extensive package which looked at Australia Day honours, and in each state they would've done specific packages related to people in their state or territory that got honours on the honours list. That's just on the 7 pm news alone. Of course, across all of our platforms, the coverage was quite vast and, as Ms Kleyn referred to, it's incumbent on us to reflect the full gamut of perspectives across Australia in moments like this, and we did that quite effectively.

**Senator DARMANIN:** You just talked about the 7 pm news. The shadow minister's assertion that there was not one story about Australia Day on the 7 pm news that night clearly sounds like it was incorrect, given what you've just outlined.

**Mr Stevens:** We can take on notice to collect all the different rundowns for the 7 pm news. I'm not sure which state or territory the senator was in that night. Obviously, there are specific local elements per bulletin, so we can collect that. Also we have to remember that the 7 pm news reaches a large chunk of our audience, but a lot of Australians access our news and information in a whole host of other ways now—on our website and through radio and social media.

**Senator DARMANIN:** It would be good if you could provide that. How does the ABC achieve balance overall in its reporting of events like this?

**Mr Stevens:** I can talk to our approach on that specific day, but Mr Fang, our editorial director, can talk more broadly to the organisation at large for non-news events. How about you speak to the broader approach as it applies to ed pols?

**Mr Fang:** As has been pointed out by my colleagues, a diversity of perspectives over a reasonable amount of time is a key part of our editorial policies. We don't speak to balance as such but, rather, to capturing the relevant and the perspectives across the community on all our news and current affairs coverage, including Australia Day. On a day like Australia Day, there is a whole raft of different perspectives on the day that we would expect to have covered, not just in our news output but also across audio—our talkback radio programs, digital et cetera. Really, what we're looking to do there is canvass all those relevant perspectives in the Australian community so that Australians can hear about those things and can make up their own minds about how they feel about that particular day. Because there are so many events and things going on, that does mean that there is a comprehensive coverage, as has been pointed out. But, yes, it is about a diversity of relevant perspectives over time.

**Senator DARMANIN:** Who determines what's relevant?

**Mr Fang:** When you're thinking about relevance, it's what is impactful in the community. It is what clearly are views that are being expressed by parts of the community. Essentially, on something like Australia Day, it is views that would run right across the whole of our community, except for views that would be considered to be non-representative or fringe views.

**Senator DARMANIN:** Thank you.

**CHAIR:** We'll go to Senator Henderson.

**Senator HENDERSON:** Just on that last question in relation to the shadow minister for communication, I'm keen to have that article tabled: 'McIntosh takes aim at ABC for focusing on "divisive" protests over Australia Day'. Mr Stevens, just to clarify, my understanding is that the shadow minister was raising concerns about the ABC's coverage because, in her view, on the particular night that she refers to there was a story about Invasion Day but not about Australia Day.

**Mr Stevens:** I don't want to make assumptions about what coverage the senator was viewing or observing, but what I can assure you of is that almost half the 7 pm bulletin that night—in Sydney and Melbourne at least, and possibly in Queensland—covered around four to five different major events or issues that related to Australia Day, and one of those included a piece about Aboriginal and Torres Strait Islander perspectives. Had the ABC not covered those perspectives on that day, it would've been not accurate as to the disparate perspectives and communities we're obligated to reflect on major events like that.

**Senator HENDERSON:** Yes. My understanding was it wasn't in relation to actual Australia Day, the 26th.

**Mr Stevens:** Right.

**Senator HENDERSON:** I think this broadcast occurred preceding Australia Day, and the shadow minister's proper concern was that there was a report about the Invasion Day rallies, but there was no reference—

**Mr Stevens:** On the 25th, not the 26th?

**Senator HENDERSON:** Yes. There was no reference to Australia Day. It just seemed to be very, very skewed.

**Mr Stevens:** Okay. We can have a look at 25 January as well.

**Senator HENDERSON:** Thank you.

**Mr Stevens:** I think, irrespective of the day, covering that perspective is still absolutely legitimate and defensible.

**Senator HENDERSON:** I just want to raise a broader point, because often when I have raised concerns about appropriate impartiality and balance in the ABC's reporting, the ABC will say, 'Oh, no, but we did another story on another day.' Isn't it incumbent on every journalist to ensure that every report is balanced and impartial in accordance with their obligations under the ABC Act?

**Mr Stevens:** Yes. Certainly, it's incumbent on journalists to make sure their journalism is accurate and impartial. That's beyond doubt. The nuance there, of course, is the nature of what is included. Differing perspectives and discussion and debate in an individual item will depend on the nature of the debate and/or the gravity of what's being discussed, and that will vary item to item.

**Senator HENDERSON:** But aren't your journalists required to report, without fear or favour, impartially and accurately in every story they do?

**Mr Stevens:** Correct.

**Senator HENDERSON:** So I would put to you that the defence that the ABC often puts forward—and I'm referring to the ABC's coverage of a particular pro-Palestinian march, where a terrorist leader was reflected upon in very positive terms, and then the ABC said, 'Well, but you must look at our other coverage.' My concern is that the ABC is not sufficiently requiring its journalists to ensure that every report is accurate and impartial.

**Mr Fang:** Senator, I think I can help you, if I may. Our impartiality and diversity of perspectives standard in our editorial policies speaks about due impartiality. That means what is reasonable and what's appropriate for the platform and the story at any given time. What you're referring to is each particular story. We don't speak about balance in every particular story. We speak about diversity of relevant perspectives over reasonable time, thinking about the audience consumption of that material.

**Senator HENDERSON:** I'm concerned about your statutory obligation to disseminate news and information impartially and objectively. You can't pick and choose. That is a requirement under the legislation which governs the ABC.

**Mr Fang:** I understand that, Senator. What I'm just referencing is that the recognised standards of objective journalism that are set out in the ed pols recognise due impartiality, which means that, on every particular item, you cannot include all perspectives that might exist in the community. What you want to be including is the relevant ones for that particular story.

**Senator HENDERSON:** Mr Stevens, in your last appearance, I asked whether you had instructed ABC lawyers in the Heston Russell case. You took that on notice, which was very surprising. You would clearly know the answer, and I'm asking you again. Did you instruct the lawyers in any respect on the Heston Russell case?

**Mr Stevens:** In regard to the question, Senator, as I understood it—and correct me if I'm wrong—I think what we expressed was that different members of management at the ABC provided legal direction or were in contact with the ABC legal department. I had thought that was a question on notice which we did respond to.

**Senator HENDERSON:** Can I ask you for the record, did you instruct the lawyers at all in relation to the Heston Russell case?

**Mr Stevens:** In regard to the defamation proceedings themselves, at different points in time, of course I was consulted on different aspects of the case. To go to the specifics of what was discussed obviously relates to the ABC's legal advice at the time. I'm struggling to understand what the revelation is that I was aware of legal advice or in discussions with the ABC legal department during the trial.

**Mrs Kleyn:** Senator—

**Senator HENDERSON:** Mr Stevens, you're confusing what I'm asking. You would not answer the question when I last asked this of you. You said you'd need to take it on notice. I found it very surprising that you wouldn't know that.

**Mrs Kleyn:** Senator—

**Senator HENDERSON:** Sorry, Ms Kleyn. Just let me finish this—that you wouldn't know that answer; therefore, what I'm asking for is, clearly: did you instruct the lawyers in the defamation proceedings concerning Mr Russell? You're now telling me that, yes, you did. Is that correct?

**Mrs Kleyn:** Senator—sorry, I understand the question is for Mr Stevens—but I reference that we have provided an answer to that question, if it's helpful. It's question on notice 1278, which actually does indicate that, yes, Mr Stevens was a part of the team. I'm just getting receipt of the question now, if it's helpful.

**Senator HENDERSON:** Thank you, Ms Kleyn, but I would like to continue my questions in relation to this matter.

**CHAIR:** Senator Henderson, I wonder, and will afford you the additional time, if we could actually hear what that response was, because I'm not recalling it myself.

**Mrs Kleyn:** Thank you, Chair. The response we provided was:

Over the course of the Heston Russell defamation trial, ABC Legal was instructed from a number of departments across the news division, including the investigative journalism and current affairs team, the digital and national news team, and news management.

**Senator HENDERSON:** Thanks, Ms Kleyn. You didn't address my question. My question was: did Mr Stevens instruct ABC lawyers in relation to the Heston Russell case?

**Mrs Kleyn:** Mr Stevens is part of the news management—

**Senator HENDERSON:** Now Mr Stevens is confirming for the first time that he did. Could you please explain the extent to which you provided the instructions, Mr Stevens, and did ABC lawyers at any time tell you that they had been put on notice in relation to the fake gunshots?

**Mr Stevens:** In regard to the second question, the first I became aware—I assume you're referencing the legal correspondence between Mr Russell's lawyers and the ABC in November 2023 and then subsequently in April 2024.

**Senator HENDERSON:** That's right.

**Mr Stevens:** I was not privy to either of those pieces of correspondence, nor was anyone in news, until the subsequent allegations were raised by the *Spotlight* program and Channel Seven in September of last year.

**Mrs Kleyn:** Sorry, I'm not trying to jump in. I just wanted to correct that. That was November 2022, I believe, and April 2023.

**Mr Stevens:** I'm getting the years mixed up—November of that year. That is the letter which has been widely publicised and assessed by Mr Sunderland in his interim report. So no. The contents of those letters were not given to me. I was not made aware of there being concerns about the editing of the videos that were subsequently investigated by Mr Sunderland until *Spotlight* raised them. At the point they raised them, we moved very quickly to immediately look at them, and you would note we removed them immediately as well.

**Senator HENDERSON:** I mean, Mr Stevens, from your and Ms Kleyn's perspective that is an astonishing failure by your lawyers. That has absolutely compromised the integrity of ABC News & Current Affairs if you were not put on notice about that matter, and I would put to you that you should have been on notice because these matters were then canvassed during the trial. It is shocking that ABC lawyers failed to inform your division and, I assume, management about these matters, given they were raised and given that the ability of the ABC to correct the record in relation to incorrect reports is so paramount to the trust that Australians hold in the ABC. Have there been consequences because of these failings by ABC legal?

**Mrs Kleyn:** It's detailed in Mr Sunderland's report, and I think Mr Sunderland has spoken to a number of people in relation to this matter. I don't think any of us deny that it would have been preferable—and I appreciate that is a very soft word—that the letter was passed to Mr Stevens and to the news division. It was an error. It was

an error by the team. There was no intent behind it. You will note in the report, Mr Sunderland notes, appropriately, that he is not in a position to breach the ABC. He talks to our editorial policies. It is clear that he sees an issue from a corrections and a clarifications point of view. We have accepted that and we would agree with that.

**Senator HENDERSON:** As I said, it is completely astonishing, and I go back to my question. What are the consequences for people responsible employed in the ABC legal department for failing to pass on such critical information, which would have enabled ABC News & Current Affairs to quickly reassess its position on the case and to correct the record straightaway.

**Mrs Kleyn:** The actions we are taking now are to adopt the recommendations from Mr Sunderland's review. There are seven recommendations. We will adopt them. We will implement them as a leadership team. We have taken note of them. Mr Fang has carried, in many ways, the implementation of those, and Mr Fang, I'm sure, would be happy to talk through that in detail. They're the actions that we are taking.

**Senator HENDERSON:** I'm not asking about those recommendations. I'm asking about a bigger issue, and it's about managing the ABC. I just raised another issue. I don't know who was responsible, which particular lawyer, but there was clearly some incompetence in the Ms Lattouf trial proceedings, because the lawyers didn't seem to understand that evidence given in Senate estimates is privileged and cannot be used in a court. We've seen what appears to be gross negligence or incompetence by ABC lawyers, and it just seems inexcusable, Ms Kleyn, that ABC management is not taking action in relation to these very significant shortcomings.

**Mrs Kleyn:** I wouldn't agree that we're not taking action.

**Senator HENDERSON:** What action are you taking, then? That's what I'm asking you. Have there been any decisions made in relation to personnel such that those people who made the mistakes are no longer working at the ABC, or do they still have your full trust and confidence?

**Mrs Kleyn:** I do not think it would be appropriate for me to go into detail or to name the legal team that were involved. It was an error. It was an accepted error. They accept the error. We're talking about November 2022. Not all lawyers who were in the team at that point in time are still with the team. That is not me intending to say that there has been any action. There has not been any specific action taken against any of the lawyers that were involved in that process in November 2022. We have steps in place now. These are the recommendations of Mr Sunderland. The leadership team is working assiduously to implement those recommendations. You'll see there is one step that is—I think it is recommendation number 7, and it states:

Steps should be taken to ensure adequate staff and resources are available to deal with complex and demanding legal matters. We are taking this very seriously and we are implementing the recommendations.

**Senator HENDERSON:** Can I ask whether the ABC is going to unequivocally apologise to Mr Russell?

**Mrs Kleyn:** The ABC has apologised to Mr Russell.

**Senator HENDERSON:** Only in a very conditional and limited way. Mr Russell is seeking a public apology from Mr Anderson on behalf of the ABC for the way in which he was portrayed—for the egregious way in which he was falsely portrayed as a war criminal. Will you apologise unequivocally to Mr Russell?

**Mrs Kleyn:** The ABC has apologised to Mr Russell.

**Senator HENDERSON:** No, it's been only very limited. It's a very conditional apology. You only apologised 'to Mr Heston Russell and other members of the second commando'—and I'm reading from Mr Anderson's statement—'for the impact of these shortcomings,' which relates to the fake gunshots being edited into the video. The ABC has never apologised to Mr Russell for calling him a war criminal—for dragging him through the ringer. You've never apologised, so I'm asking you now: are you going to apologise and will you apologise now?

**Mrs Kleyn:** My position is as I have said. The ABC has apologised. We have issued an apology within the opening statement at Senate estimates on 5 November last year. On 7 November, Mr Stevens issued an apology. There have been some other correspondence along the way. Then I refer to Mr Anderson's public statement on 7 February, where he also apologises directly to Mr Russell.

**Senator HENDERSON:** I would put to you that that is not sufficient, and the apology was very much framed within the context of the false gunshots edited into the vision and not to the broader issues, which is the basis on which Mr Heston Russell took defamation proceedings in the Federal Court.

**CHAIR:** We'll rotate the call.

**Senator HENDERSON:** Thanks, Chair.

**CHAIR:** We will go to Senator Faruqi.

**Senator FARUQI:** Good afternoon. Does the ABC believe that Lebanese people exist?

**Mrs Kleyn:** I take that question to be a question of does the ABC deny the existence of race. I understand that was something that was canvassed, came to light—I'm not sure of the correct terminology—during the Lattouf matter. My response would be the ABC does not deny the existence of race. In fact, Ms Amorelli, who is by my side here, has clarified that in an all-staff communication, and I have that, and I'm happy to—

**Senator FARUQI:** That was not my question.

**Mrs Kleyn:** read that.

**CHAIR:** Senator Faruqi—

**Senator FARUQI:** I thought Ms Kleyn had finished.

**CHAIR:** Senator Faruqi, please do not speak over the witnesses and do not speak over me. Please continue with your questioning.

**Mrs Kleyn:** Thank you, Chair. I was just going to note that I'm happy to provide the contents of the email from Ms Amorelli, but, to answer the question, the ABC does not deny the existence of race.

**Senator FARUQI:** Ms Kleyn, that was not my question. My question was pretty straightforward, and it is actually not a complex question, as your legal argument case purports. Does the ABC believe that Lebanese people exist?

**Mrs Kleyn:** Yes.

**Senator FARUQI:** Thank you. Does the ABC believe that Arab people exist?

**Mrs Kleyn:** Yes.

**Senator FARUQI:** Does the ABC believe that Middle Eastern people exist?

**Mrs Kleyn:** Yes.

**Senator FARUQI:** So then why was it part of ABC's legal argument to question the existence of a Lebanese, Arab and Middle Eastern race, and why did Mr Anderson state in court that he hadn't formed a view on whether there is a Lebanese race?

**Mrs Kleyn:** I will read from Ms Amorelli's email, because it provided good context. It was an email that was sent to all staff to provide clarity on this matter. I believe the email did make its way onto the public record. I will quote Ms Amorelli, who is sitting next to me, for assistance, and then we'll pass to Ms Amorelli, if that's helpful. Ms Amorelli wrote:

The ABC has only raised the issue that, in these proceedings, the legal onus lies with Ms Lattouf to establish her claim about race.

**Senator FARUQI:** Since then, the ABC has retracted that argument in court—

**Mrs Kleyn:** Correct.

**Senator FARUQI:** —after huge community backlash. You understand that this has harmed and hurt many communities that are racially marginalised in this country, I hope. I mean, we all know that ABC has a racism problem. That was pretty much there in Dr Janke's review, where 120 staff, including current and former ABC staff, said that racism was systemic in the ABC.

**Mrs Kleyn:** I don't believe it is a fair and reasonable statement to say, at a broad brush, that the ABC is a racist organisation. We absolutely have acknowledged it, particularly through the Janke review, and we are incredibly grateful for the people who came forward during that review. It's not an easy thing to come forward by any stretch of the imagination. I would like to make that statement. I also acknowledge what you're saying around distress in some sections of the community and our workforce, and, again, I can refer you quite specifically to an email from Ms Amorelli. I believe that's also now on the public record. I will quote from this again:

The ABC recognises that, regrettably, this legal argument has caused distress in some sections of the community and our workforce. This was not the ABC's intention. Today, the ABC has made clear to the court that it does not dispute or contest Ms Lattouf's race or national extraction being Lebanese, Middle Eastern or Arab.

**Senator FARUQI:** I guess what I'm saying is that ABC has a racism problem, because Dr Janke's review made it clear that racism is systemic at the ABC. I think a few of you have said, to a number of questions today, that the ABC is reflecting on certain things.

**Mrs Kleyn:** That is right.

**Senator FARUQI:** So I would like to ask: will you reflect on this decision to take this argument to court—a pretty atrocious argument about the existence of certain communities and races? Will you review the system at the ABC that has allowed this blatant racism to take place? Will you also reflect on that?

**Mrs Kleyn:** I think we have reflected on it, which is evidenced by the fact that Ms Amorelli wrote an email that showed that reflection and was very, very clear again, I think, in the language: 'the ABC recognises, regrettably'. We have reflected and we have issued some correspondence that demonstrates that reflection.

**Senator FARUQI:** The problem is that it happened, after so many reviews into racism at the ABC. And the community has called it 'surreal' and 'blatantly racist'. In terms of Dr Janke's review, when systemic racism was found at the ABC, there was a recommendation that the ABC commit to being proactively antiracist. Now, do you think this legal argument was proactively antiracist or the comments from Mr Anderson were proactively antiracist?

**Mrs Kleyn:** I think they're two very different things that you're talking about. I'm happy to pass to Ms Amorelli to talk to the recommendations of the Janke review and what we're doing to implement the recommendations of the Janke review, if that's of assistance.

**Senator FARUQI:** It's just one particular recommendation I'm referring to, which is that ABC commit to being proactively antiracist. Questioning people's race—is that proactively antiracist? It's the exact antithesis of being proactively antiracist. It is actually racist.

**Ms Amorelli:** I understand the comments, and it was a technical legal argument that we accept should never have been made, and we withdrew the argument before the ABC opened its case. But I appreciate the sentiment throughout sections of the community and our workforce, which we absolutely heard, and we regret that the decision to run that argument was made and accept that it should not have been made. If I may speak just on the recommendation in the review regarding antiracism in particular, we are having many active discussions internally about that at the moment. We have partnered with the Australian Human Rights Commission and are rolling out antiracism training, which is compulsory for all of our staff, including the executive leadership team and the board. That is currently underway. That is the first part of an antiracism campaign which we are also currently rolling out. We recognise that, at the moment, it feels difficult to reconcile some of what is being said with what has played out over the last month, but it is why we withdrew that argument and accept it should never have been made in the first place.

**Senator FARUQI:** So the argument was withdrawn, and you regret it; it shouldn't have taken place. Have you actually apologised to all your staff who are people of colour and First Nations and acknowledged that this would have hurt and harmed them? Has there been an apology issued to all the staff and the community by the ABC?

**Ms Amorelli:** We have not done that as yet, but we do apologise for the distress that was caused, and, as Mrs Kleyn read out, in terms of the all-staff communication I sent, it was the intention to do that—to recognise that people were hurt. I think Senator Hanson-Young asked before about understanding how staff are feeling at the moment. I have had many emails from staff. I have almost responded to all of them; I have a few more there. But I have been in direct contact with many staff who've expressed their disappointment at what has occurred over the last month. I have met with many teams across the organisation. I've met with our news diversity action group. I've met with the extended leadership team in the division of news. I have listened and understood how people are feeling about this. The leadership team accepts that what has played out in public over the last month has had a very real impact on our staff, and we have work to do, once we're able to talk more openly about this matter, once the court proceedings are finalised, in order to really address some of these things.

**Senator FARUQI:** I just have to clarify: you are going to apologise to staff for causing this hurt and harm, and also to the public? Is the ABC going to commit to apologising to the staff and apologising to the public? There are many people in the community as well who have been hurt and harmed by this.

**Ms Amorelli:** Yes.

**Senator FARUQI:** So you will publicly apologise?

**Ms Amorelli:** Yes. We regret that that argument was made. It should never have been made, and we will apologise.

**Senator FARUQI:** Thank you very much.

**CHAIR:** We do need to rotate the call.

**Senator FARUQI:** Sure.

**CHAIR:** We will go to Senator Bilyk.

**Senator BILYK:** There was an article recently in the *Daily Telegraph* which I'm sure you're aware of. It was entitled 'ABC costs Aussies more than a Netflix subscription'. In that article, a number of assertions about the cost of the ABC, the reach of the ABC and ABC spending were made. Now, the chair issued a statement in response, stating the article contained inaccuracies. For the benefit of the committee, could you outline to us what you consider to be the key inaccuracies in the article, and could you please provide the facts in relation to, firstly, the cost and audience reach of the ABC?

**Mrs Kleyn:** Certainly. I think, on balance, there were many, many errors, from our perspective, in the article, and the chair's response I think was quite clear. I'll start with the manner in which the calculation was done on the Netflix subscription. I believe it was a subscription that was ad-supported, not a free subscription. Of course, the ABC is free to all Australians. So I think the starting point for the calculation was an error in and of itself. Then the key point to raise is that it's impossible to do a comparison between Netflix and the ABC and what the ABC does, where the ABC is, the broad reach of the ABC and our infrastructure to support all Australians. I think one of the key points we highlighted in the statement and I will highlight here, of course, is our emergency broadcasting services. As I said in my opening statement, we have covered more than 500 emergency events this financial year alone. What's really important to stress is: when we talk about emergency broadcasting, we often talk about an emergency broadcasting team, who are an amazing team—a very little team, the truth be told—that keeps us across all of the events, but then they are supported by a workforce that can only exist in an organisation like ours because of how far-reaching we are and our infrastructure and our presence across all of Australia. So to actually have that presence—you can't compare that to what Netflix have and do. And it's not a criticism of Netflix at all.

We've got 24-hour news—continuous 24-hour news. That's on the News channel. That's on NewsRadio. That's on the ABC News web and app. That isn't a service that Netflix provide, nor should they.

I think I've mentioned our services are across 67 locations across the country. Again, as that sort of relates to emergency broadcasting, it's critical, but then just connecting with communities—actually having a local service for our communities across Australia—is a responsibility that we take very, very seriously and a responsibility that I think sits wholly and solely with the ABC, often in isolation. Again, there's no comparison to a Netflix service.

We've got international bureaus in 10 locations. We've got dedicated Pacific reporters. We've got a long list. We've got international services that make ABC storytelling available on TV, radio and online worldwide, with a focus on our region. In fact, we've got a monthly viewership across the Asia-Pacific of at least 10.5 million people, and it's carried by more than 100 broadcast partners.

We've got the most-watched kids' content, specialist educational content and a line to the curriculum. We've got dedicated news content for young people like *Behind the News* and *BTN High*. We have high-quality, locally-made Australian drama. I mean, I could go on and on, but it's an incredibly long list.

And then if I can just also correct a few of the statements around our audience and our audience performance: I think there was a lot missed in the interpretation provided in that article, and a lot of the key facts are in our annual report. We say them as often as we can. The ABC network was the No. 1 ranked television broadcaster in 2023-24, with a reach of 36.4 per cent or 6.6 million people across the five-city metro population. As I said in the opening statement, we were No. 1 again in digital news for January, and that's repeat performance for us. In podcast rankers, we've been the No. 1 news podcast. We've—sorry; we've had the No. 1 news podcast on many occasions. I could go on and on and on. ABC iView was the No. 1-ranked BVOD service in 2023-24, based on on-demand minutes, with a 34 per cent share of on-demand minutes across the year. ABC Radio reached an estimated 4.77 million people each week in the five capital cities.

So we've got a lot of facts, a lot of data. I'm prepared—we'd be more than happy to provide as much as helps anybody, on notice. But, in summary, I will say again: we disagree with the statements that were made.

**Senator BILYK:** That long list of activities that you've mentioned, let alone the ones you haven't mentioned, are all part of your statutory role at the ABC, aren't they?

**Mrs Kleyn:** That is correct.

**Senator BILYK:** So that's in there.

**CHAIR:** Please do table them.

**Senator BILYK:** Yes, please do. That would be great. The article also cited a number of examples of what it asserts to be 'wasteful spending', such as the new ABC Parramatta offices and studios—which I understood were self-funded, but I could be wrong; I'm happy to be corrected—and commentary for the Paris Olympics, and fact-



checking services, amongst other things. So, once again, for the benefit of the committee, could you please outline the ABC's response to the key assertions in relation to waste?

**Mrs Kleyn:** Absolutely, Senator. I'm happy to. As I think I alluded to earlier, statements that we paid thousands to put up Bruce McAvaney in Paris were just wrong; Mr McAvaney wasn't in Paris.

On Parramatta: I could talk to this at great length. That was at no impost to taxpayers. We sold a property at Lanceley Place in Artarmon. We sold that for the express purpose of rationalising our property footprint, and also being able to be in Parramatta in particular, given, I think, one in 10 Australians live in that area. It has an incredible, diverse community. We saw that as an absolute obligation on the ABC, really, to be in a location like that. So we sold a property that we had in north Sydney. Using the proceeds from that property was how we were able to do the work at Parramatta—develop that site in Parramatta. We also, at the same time, were able to rationalise our footprint in Ultimo. We were able to do that by—actually, twofold: it was by moving certain members of our team to Parramatta, but also it was a project to look at rationalising, I guess, our operation from an efficiency floorplate point of view, allowing for modern workplaces, for new technology, et cetera. So we were able to do all of that within—and, in fact, less than—the proceeds we had from the sale of Lanceley Place. And then, on an ongoing basis, in doing that, we've been able to lease out floors in our Ultimo building, which means that there's also no cost to the taxpayer for the leasing of the Parramatta site.

**Senator BILYK:** And what about the fact-checking services?

**Mrs Kleyn:** On fact-checking services I might pass to Mr Stevens. Suffice to say, we disagree with the comments, but Mr Stevens could provide more detail.

**Mr Stevens:** Yes. I'll have to check the specifics of the claims that Mr Drill made about fact-checking services. The ABC used to have an agreement with RMIT where we ran fact-checking across RMIT and the ABC, over a number of years, and we ceased that agreement in the last 12 months. So we no longer have that agreement. That's in part because our focus has pivoted, for the team at the ABC end of that, to focus on verification. So we've created ABC News Verify. They've generated a lot of original stories, including in the last fortnight alone, looking at various pieces of mis- and disinformation. And certainly we see that, while it was a valuable service at the time, a lot of teams are now doing that style of explainer-driven and fact-driven journalism anyway.

**Senator BILYK:** The coalition has vowed to crack down on what it considers to be wasteful spending, with the appointment of Senator Price as shadow minister for government efficiency. Are you aware of anything to indicate that the coalition's focus on waste and efficiency will extend to the ABC?

**Mrs Kleyn:** Senator, I'm not specifically aware of anything at this point in time. I apologise if I should be, but I'm not currently aware of anything.

**Senator BILYK:** Just asking.

**Mrs Kleyn:** I guess what I would say is we take seriously our statutory obligation to be efficient, to maintain efficiency in our operations, and so I think we are efficient by nature of our operation.

**CHAIR:** I'm going to have to rotate the call, Senator Bilyk—

**Senator BILYK:** Can I have one last question?

**CHAIR:** and come back to you.

**Senator BILYK:** Okay. Thank you.

**CHAIR:** Senator Hanson-Young.

**Senator HANSON-YOUNG:** I want to ask about how the ABC is managing the reporting on the invasion in Gaza. Firstly, does the ABC have a formal policy or guideline regarding the use of the terms 'Israeli occupation' or 'occupier' when referring to Israel's presence in both the West Bank and Gaza?

**Mrs Kleyn:** Senator, I might pass that to Mr Fang.

**Mr Fang:** We issued what we call Middle East guidance to our teams more than 12 months ago. The guidance is that we refer to 'the occupied territory'.

**Senator HANSON-YOUNG:** That guidance was issued 12 months ago. Have you refined that? Have you updated it? Has there been any review of that?

**Mr Fang:** We are always looking to make sure that that guidance is fit for purpose and takes into account changing circumstances or new news and events. The guidance is regularly updated. I couldn't tell you how many times exactly. I can provide that on notice. Every time we update the guidance, we make sure that we log that for staff and ensure that they're aware of any changes.

**Senator HANSON-YOUNG:** What's the reasoning? I want to understand the understood and defended reasoning of the ABC for having such a policy or guideline.

**Mr Fang:** We have guidance for a variety of things, everything from our editorial policies through to breaking stories, to ensure that ABC staff in our coverage are using accurate language, for example, are being accurate in their terminology and are covering stories impartially. This guidance is no different. We recognise that it is an area of contention. The guidance is really to help our journalists, to help our staff, to better cover the conflict and the issues that relate to that, and to make sure that we're meeting our obligations for objective and impartial journalism.

**Senator HANSON-YOUNG:** Has the ABC conducted any internal reviews or consultations with external experts in relation to the use of terminology and ensuring that it aligns with international legal standards?

**Mr Fang:** Senator, not that I'm aware of. I would say that we consulted internally within our editorial policies team and within experts that have covered the conflict. Like any guidance and like any story, we would seek to do research on what the acceptable terms are—for example, what is the UN classification, what does the Australian government say and the like. These things would inform our guidance.

**Senator HANSON-YOUNG:** Has there been any guidance given in relation to the International Court of Justice ruling about the illegality of Israel's occupation?

**Mr Fang:** Yes. We have provided guidance on that. I'm happy to provide that to you and to the committee.

**Senator HANSON-YOUNG:** That would be helpful.

**Mr Fang:** It's in our guidance.

**Senator HANSON-YOUNG:** That would be helpful. So you can give that to us on notice or table it?

**Mr Fang:** Absolutely. Yes.

**Senator HANSON-YOUNG:** Thank you. I'd also like to know whether there's been any guidance on the ICJ's orders made under the genocide convention following the application of South Africa against Israel.

**Mr Fang:** Yes. We provided guidance to staff on the ICJ case—on the coverage of that, on where it's at, on the use of the term 'genocide' and how to report on that case—and that's also in our Middle East guidance.

**Senator HANSON-YOUNG:** Has that had to be updated at any point?

**Mr Fang:** The guidance was updated as the case developed.

**Senator HANSON-YOUNG:** Okay. Has there been any guidance given on the terminology used by the ABC or reporting within the ABC in relation to the arrest warrants by the International Criminal Court against the Israeli Prime Minister?

**Mr Fang:** Yes. We've provided guidance on the allegations of war crimes and on what the ICC has said in relation to both the Israeli leaders and the Hamas leaders.

**Senator HANSON-YOUNG:** Are these guidelines distributed to staff? I've asked for three different issues here.

**Mr Fang:** Yes.

**Senator HANSON-YOUNG:** I guess now what I want to understand is how they are used in practice.

**Mr Fang:** All of that guidance is available internally on our intranet to staff. It's available both in what we call the news knowledge hub, which is where that guidance lives, and also on the editorial policies hub, and we direct staff to that. In addition, editorial leaders that engage with their ed pols advisers or are across these matters themselves and are providing advice to their staff have access to that guidance and should be utilising it when working with staff on their stories.

**Senator HANSON-YOUNG:** Have there been any concerns raised by journalists or editorial staff in relation to these particular matters?

**Mr Fang:** I probably wouldn't characterise it that way. I think that there's been discussion about a variety of issues that have come up across the conflict and about how the ABC would be reporting those. But, ultimately, the editorial guidance is agreed upon by me, and working with my colleagues in news. We issue that as our guidance and what we expect the ABC to do and what our staff should do in the coverage of this conflict.

**Senator HANSON-YOUNG:** Is there any policy, or has there been any practice introduced, in relation to mentioning or not mentioning the ICJ or ICC positions in relation to Israel?

**Mr Fang:** I'm not sure I understand what you mean, Senator, other than we have issued guidance around how to accurately cover the ICJ case and the allegations made by the ICC.

**Senator HANSON-YOUNG:** So there's no direction or policy that it shouldn't be referenced, it shouldn't be reported on or it must be included either way? It's just that, if it is to be talked about, these are the guidelines for how—

**Mr Fang:** Correct. Where it's relevant, where it is factually important, where it's relevant to a story to discuss the ICJ or the ICC case or the allegations put by the ICC, then it should be included in stories. But we don't provide any guidance other than that, and for people to utilise our guidance to be accurate around the coverage.

**Senator HANSON-YOUNG:** Are you aware of whether these guidelines and the advice that you wish your journalists and editors to use is in line with other public broadcasters, such as the BBC?

**Mr Fang:** Some of them would be. There are some differences, I understand, between different parts of guidance around broadcasters around the world. But our guidance is for Australian journalism, taking into account what's acceptable to our audience and accurate coverage of what's going on in the conflict.

**Senator HANSON-YOUNG:** I asked whether anyone has raised any concerns about it or there has been any resistance, and you're saying: 'We've put these guidelines together. We've talked through why they exist.' Has there been any resistance raised by external bodies in relation to these guidelines?

**Mr Fang:** Not that I'm aware of, no. There may be—I can find out further—but not that I'm aware of.

**Senator HANSON-YOUNG:** Did you want to jump in there?

**Mrs Kleyn:** No.

**CHAIR:** Last question, Senator.

**Senator HANSON-YOUNG:** The way the invasion in Gaza is talked about and the way the behaviour and attitude of the Israeli Prime Minister is referenced is hotly debated. We are living in a time when Islamophobia and, of course, antisemitism are sadly something we see and hear raised and referenced all too much. I want to understand how, as the public broadcaster—you take a lot of complaints from people, senators, elected officials, members of the public. It is part of the job, as being part of the public broadcaster. We talked about this before, Mrs Kleyn—being available for criticism and critique. I'm interested as to how you measure this particular issue. I'm wondering whether the ABC has any other metrics apart from how many complaints are received by various voices. How do you manage that? I can see it's a very difficult issue.

**Mr Fang:** I'm not sure if I have all the information, but I'll do my best. Firstly, there is a transparent and publicly available complaint process which details how the audience can contact us and make their feelings heard about ABC content. There's what's called the audience support team. I use the word triage, but essentially, working with the ombudsman's office, it makes a determination about what should be considered a content complaint versus just a general complaint. Content complaints can then be handled by direct response from content-making teams, if that is the best way or if that's the direction from the ombudsman's office, or they can then be investigated by the ombudsman's office. The ombudsman compiles an annual report which provides data on the number of content complaints, the number of resolved complaints, any breaches, and also what the nature is of those complaints. That data enables us to get a sense of what the complaints are about and what the issues are within our content. It helps us to correct them and improve on them. The other measure for the public to be aware of is that the ombudsman publishes her reports. We also publish corrections and clarifications and have a corrections and clarifications page, which is another way that corrected errors can be tracked.

In regard to the Israel-Gaza conflict, I can say we had one editorial breach finding last year. There were 1,541 content complaints about that matter.

**CHAIR:** We need to rotate the call.

**Senator HANSON-YOUNG:** Okay. Thank you.

**CHAIR:** Senator Henderson.

**Senator HENDERSON:** I want to raise other concerns about bias at the ABC. I particularly want to raise concerns about the ABC's repeated use of the Jewish Council of Australia as a spokesperson representing the broader Jewish community. Has there been any review of the ABC's ongoing use of the Jewish Council of Australia, given they, I would put to you, are a fringe group which have only about 900 members, and they're, of course, very, very opposed to the state of Israel?

**Mrs Kleyn:** I think I would just say I wouldn't characterise it as repeated and ongoing, but I will pass to Mr Fang.

**Senator HENDERSON:** Just on that point, I'm talking about interviews on 5 May, 9 July, 9 December and 10 December in 2024, and then another interview on 30 January 2025. And the one that I think is particularly egregious was an interview on 5 May 2024 when Ms Schwartz concluded her time on the air by saying:

We need to put in place measures that we would put in place against any pariah state that is committing these atrocities, and that includes sanctions, cutting military and diplomatic ties, and showing that there is a real cost to committing these types of war crimes.

The interviewer then said:

Sarah, it's great talking to you. Thank you so much for sharing your insights with us on *Weekend Breakfast*.

And that particular interview is still available on the ABC's YouTube channel, and that has 2.3 million subscribers.

**Mrs Kleyn:** Thank you, Senator. The exact reference is helpful. I'll pass to Mr Fang, who I'm sure will know.

**Mr Fang:** I'd have to go back and have a look at the 5 May interview specifically, but I can tell you that my knowledge is that we have interviewed Sarah Schwartz from the Jewish Council of Australia five times in the past 12 months, or since April 2024. You asked if there's been any review, I believe; is that correct?

**Senator HENDERSON:** That's right.

**Mr Fang:** There have been a number of complaints about the Jewish Council of Australia's appearance on the ABC, and one of them was investigated by the ombudsman and found not to be a breach. I think that Sarah Schwartz and the Jewish Council represent one perspective, and, where they're appropriate, we have interviewed members of that group. There are about a thousand people, as you pointed out. I think you said 900. I think it's about a thousand people. It is a relevant perspective, depending on the story. They also speak about antisemitism, which is an important matter to discuss. But we obviously recognise proportionality in the sense that, for matters that broadly affect the Jewish community, we go to spokespeople that are more widely representative. I can go through a whole list of people that we have interviewed if you like, or else I can provide that to you on notice.

**Senator HENDERSON:** I'm happy to take that on notice, but I'm particularly concerned because Ms Schwartz has been interviewed in a number of one-on-one interviews, not just news grabs, and, as I mentioned before, with comments such as making very controversial allegations against the State of Israel, which were not countered by your ABC interviewer. Those comments have been allowed to stand, and this has deeply upset many Jewish Australians, including all of the mainstream Jewish organisations.

**Mr Fang:** I suppose what I'd say is that our obligation is to present a diversity of perspectives. The JCA, or the Jewish Council, represents a particular perspective in the community. We have put that to air a number of times—five times, I believe, over the past 12 months—but it is in amongst a wide variety of interviews of spokespeople and representatives of the wider Jewish community.

**Senator HENDERSON:** Well, I would welcome the evidence to support that, because, in terms of these breakfast program interviews and the like, what is the evidence that you've given a similar platform for those sorts of long-form running interviews to other groups?

**Mr Fang:** Well, I'm happy to go through that. I'll take, if I may, what was one of the latest examples, which was on *News Breakfast* a couple of weeks ago. On the day that we interviewed Sarah Schwartz, we also interviewed an extremism expert from Deakin University. We interviewed James Paterson, the shadow home affairs minister. We interviewed Benjamin Klein from the Adass Israel Synagogue. We interviewed—across this period, sorry—Alex Rivkin. We've interviewed Rabbi Benjamin Elton from the Great Synagogue Sydney, Michele Goldman from the New South Wales Jewish Board of Deputies, and a whole collection of other spokespeople and people that are representative of the Jewish community.

**Senator HENDERSON:** I'm not talking about news grabs. I'm actually talking about long-form interviews where the perspectives of the Jewish Council of Australia have been elevated, and at no point in time has the ABC sought to explain that this not a representative group of the Jewish community at large when you consider other representative organisations. I'm raising these very legitimate concerns, and I would put it to you that I'm concerned that you don't see any reason to review these sorts of decisions.

**Mr Fang:** I suppose what I'm saying is that we definitely take on board the feedback from the community, but I'm just providing you with the data about the number of times that we have interviewed that group, and it's my view that we have also interviewed widely other representatives of the wider Jewish community. I can go away and provide you on notice when we have done that in significant long interviews. I'm happy to take that on notice.

**Senator HENDERSON:** Thank you. I would appreciate it, including if you could please provide the time that each person was given as a representative of the Jewish community in the last 12 months—the broadcast minutes.

**Mr Fang:** We can look at that. We can absolutely look at that.

**Senator HENDERSON:** Thank you very much. I just want to go back to the Heston Russell case and ask, in terms of the recommendations made by Mr Sunderland, has there been any implementation of those recommendations?

**Mr Fang:** I will just pull up the appropriate bits of information for you. Mr Sunderland made seven recommendations, which we have taken on board fully. The first recommendation is:

Editorial policies and guidance should be reviewed to ensure that the importance of maintaining the integrity of crucial source material is maintained, particularly in investigative stories.

That falls under my remit as the editorial director, and a review of that guidance has begun. We will also talk to ABC staff about that in order to make sure that the guidance meets Mr Sunderland's recommendations and also meets audience expectations.

The second recommendation is:

Training should be reviewed, in particular for non-editorial staff working in investigative areas, to ensure everyone is aware of key editorial principles including the need to maintain the integrity of source material.

That is already underway, and there is mandatory editorial policy training for ABC content makers. And so, working with News, we are adding the appropriate non-editorial staff to that list of mandatory editorial policy training.

The third recommendation is:

Editing practices should be reviewed to ensure there is regular, timely and detailed face-to-face contact between editors, reporters and researchers during the editing process.

And then recommendation 4 is:

When multi-platform stories are being prepared, consistent and equal scrutiny should be applied to all elements of the story across all platforms.

This is an action item that has begun in the News division. A review of all editing practices in all News teams is underway, focusing on identification of specific risk factors by reporters and producers at the scripting and production phase. Workshops and training are also, as part of that recommendation, a response with all teams, discussing how to implement this requirement and looking at workflows, for example, and then finally applying this requirement as set out by Mr Sunderland to all story elements for all platforms. As you would imagine, in the complex media environment that we have today, we make stories that go across multiple platforms at multiple times, so we're taking on board Mr Sunderland's recommendation about that.

Recommendation 5 is:

News should review the guidance note on interviews and discuss.

This is also within my remit now as editorial director, and I'm looking at the guidance note around interviews and looking to see whether the guidance requires some additional information for staff to meet Mr Sunderland's recommendation around accuracy as it relates to interviews.

And the final two recommendations have already been discussed by the acting MD, but I'll read them out for you. Recommendation 6—

**Senator HENDERSON:** No, I've got—sorry, just to cut to the chase, because we haven't got much time. So that's the effective communication between News and Legal?

**Mr Fang:** That's correct. Recommendations 6 and 7 are about communication with News and Legal and then steps to ensure adequate staff and resources are available to deal with complex and demanding legal matters, and my understanding is that there's already a review of ABC Legal underway to ensure we appropriately meet those recommendations.

**CHAIR:** Last question, Senator Henderson.

**Senator HENDERSON:** Can you describe the nature of that review? Is that review examining the operations of ABC Legal?

**Mr Fang:** I am sorry. I don't have that information. It's not in my area. I can take that on notice, or else somebody else might have that information.

**Senator HENDERSON:** Can you add anything in relation to that review, Mrs Kleyn?

**Mrs Kleyn:** Yes. Looking at the processes within the legal department and the resources allocated to matters of this magnitude is the essence of it.

**Senator HENDERSON:** And what's the outcome of that review? What's the nature of that review, and how long will it take?

**CHAIR:** We'll rotate after this answer.

**Mrs Kleyn:** I'll have to take on notice the exact time taken to do the review.

**Senator HENDERSON:** Just in relation to the question—

**CHAIR:** Senator Henderson, we have to rotate. Senator Rennick.

**Senator RENNICK:** Hi, guys. How are you going? Good? Okay. I just want to raise a couple of issues. There was an article released back in August 2021 that basically was a fact check. You did an ABC fact check at the time with RMIT, and it was raised that the claim by Alan Hashem that a bloke by the name of Roberto Garin died from the vaccine was misinformation. It turns out that the autopsy report confirmed that he did indeed die from the vaccine. He died in front of his wife and his daughter, I think—it was one of his children—when the other child walked in. This occurred seven days after the vaccine. The coroner who performed the autopsy confirmed it was indeed from the vaccine. Are you willing to withdraw the statement that this was actually misrepresentation and apologise to Kirsti Garin?

**Mrs Kleyn:** I apologise; I am not familiar with the matter you're referring to. I'm not sure, Mr Stevens, if you're familiar.

**Mr Stevens:** I'm happy to take that on notice. Did you say it's from 2021?

**Senator RENNICK:** Yes, August 2021. And clearly this fact check did not contact the person involved, because, had they contacted the person involved, they would have had this information and not made the statement in the first place.

**Mrs Kleyn:** Are you able to provide us with the exact detail on that so that we can look into it?

**Senator RENNICK:** Yes, I'll put it on notice.

**Mrs Kleyn:** Thank you.

**Senator RENNICK:** I'd appreciate it if you did, because it was extremely traumatic, and I think it's important to note that the TGA has acknowledged that, even though they receive autopsy reports that acknowledge people were killed where the coroner has said that the vaccine caused their death, the TGA didn't actually report that as a reported death from the vaccine. So you can't rely on everything the TGA tells you. I guess that is the point. Had your fact checker done their work, they would have known that.

The second question I've got is, back in 2019, *Four Corners* did a piece about Donald Trump whereby it quoted a lot of Russian collusion stories that Donald Trump was colluding with Russia, all of this information, and somehow that Donald Trump was receiving money from Russia. All of their so-called allegations have been proven to be false and deliberate misinformation spread by intelligence agencies for political purposes. However, that *Four Corners* program is still up on your website, and, given that we now know that it's false information, can you please explain why it's still on the website.

**Mrs Kleyn:** Again, sorry, I'm not personally familiar with the story. Mr Stevens—

**Mr Stevens:** Yes, 2019 was obviously some time ago, but I think you're referring to the multipart program by Sarah Ferguson.

**Senator RENNICK:** Yes, that's the one—'Follow the money'.

**Mr Stevens:** What I would say, not having had the chance to look back over the story recently, is that Sarah is one of the most esteemed journalists in the country, and the materials that they were relying on for those programs were the best available information at the time, and they reported it accurately.

**Senator RENNICK:** Well, they haven't, because it's been proven to be false.

**Mr Stevens:** The information that was available to them at the time was reported accurately, and Sarah is one of Australia's most respected journalists with the utmost integrity. So we'll have a good look at your question, and we'll take that on notice.

**Senator RENNICK:** This is my final question, thanks, Chair. Sarah is still on 7.30. She's the lead presenter, I'm led to believe. I've asked a number of times for interviews with 7.30, and I know other independent senators have gotten interviews with 7.30, and I'm yet to get one. I'm just curious to know why there's bias in the fact that the ABC seem to want to present other independent politicians from the left side of politics but not the right side of politics.

**Mr Stevens:** With respect, I contest the assertion that the program only requests or speaks to people from one side of politics. I can say with confidence that's not the case.

**Senator HENDERSON:** [Inaudible]

**Mr Stevens:** Sorry, I'm responding to Senator Rennick. In regard to specific requests that you've made for that program to interview, I'm not privy to those, but I'm happy to have a look at that. The program makes independent decisions about who they approach to interview, obviously, and the individuals obviously have to be relevant to the public discussion that is of news that day or week.

**Senator RENNICK:** That's interesting. I'll give you the example of Senator Payman, when she announced her new party. She got a gig on the 7.30 program that night. I have nothing against Senator Payman. It's nothing personal or anything like that. My question is that I also approached the 7.30 program immediately after that and said, 'Can I also get an opportunity to promote People First?' which is effectively what the 7.30 program was doing, and that was four months ago and I still haven't got a response.

**Mr Stevens:** The 7.30 program and the ABC generally is not in the business of promoting political parties like yours; it's in the business of questioning and asking—

**Senator RENNICK:** Yes, absolutely.

**Mr Stevens:** And, secondly, I don't think anyone would question that Senator Payman's decisions over the course of that fortnight were massively relevant to the news agenda that week and very much in the public interest.

**Senator HANSON-YOUNG:** You're just not radical enough, Gerry.

**Senator RENNICK:** Okay. That's fine, but I'm just curious, because, you've just said—and I'll admit we're not that big either, but the point is that it was a clear example of how one person got a gig and another person didn't.

**Mr Stevens:** I think they're different circumstances, with respect, as to the considerations.

**Senator RENNICK:** I don't. Both new parties started around the same time.

**Mr Stevens:** I think it's an inaccurate correlation to make that—the correlation would be accurate if you were a member of the party room of, say, one of the two major political parties and there was a great deal of questioning around your voting motivations that week with a key policy issue to the extent that it went against the party room and then subsequently left the party. I'm not aware that you've been through a similar journey yourself in that respect.

**Senator RENNICK:** You must have had your head in the sand for the last three years. I mean, I withheld my vote from the Liberal Party over the vaccine mandates and injuries.

**CHAIR:** Senator Rennick, I appreciate that you're upset that they haven't interviewed you on the telly.

**Senator RENNICK:** I'm not. It's totally what I expect [inaudible].

**CHAIR:** But I will say that I'm not sure that continuing on—I think Mr Stevens has quite clearly said that it's a matter of public interest, as they view it, rather than a scent of bias.

**Senator RENNICK:** I'd just like to correct for the record, Chair, that I'm not upset. I didn't expect to get an interview with the ABC. I just want to highlight the hypocrisy of the ABC in how impartial you are, or lack of impartiality, and how you interview certain people but not other people. I'll leave that as a comment.

**Mr Stevens:** Understood, and we'll chat to the program about it, and I can confirm that Sarah still anchors the program. She's doing a terrific job.

**Senator RENNICK:** And this Russian collusion one is a classic example. You've still got it up there. You haven't corrected it. That's the same for the poor woman who had her husband die in front of her and you gaslighted her. So you need to look at the way you report your news. Thank you.

**Senator CADELL:** Chair, while we're on that, can I just get an undertaking that I will never feature on the 7.30 program?

**Mr Stevens:** I can't guarantee that, Senator Cadell.

**CHAIR:** Not everyone's clamouring for the same limelight, right? Thank you. Senator Faruqi, you have about five minutes.

**Senator FARUQI:** At the last Senate estimates we had a discussion about internal editorial guidance, which I think Senator Hanson-Young has asked questions on as well. In my opinion, the ABC's Israel-Palestine coverage is heavily weighted towards covering up Israel's culpability in genocide. But you have said that you have updated

the guidance from last time to now. Last time the guidance, I think, was to not use the word 'genocide'. Since that time, Amnesty International has concluded that there is sufficient evidence to believe that Israel's conduct in Gaza following 7 October 2023 amounts to genocide, and they have joined others, including the United Nations and Human Rights Watch, who have a similar opinion. You did say that your guidance had changed in terms of genocide. I want to know if ABC journalists are now allowed to use genocide in relation to Israel's massacre of Palestinians in Gaza, or are you still insisting on calling it a conflict?

**Mr Fang:** You've made a bunch of different assertions there, so I'll just deal with the facts from the ABC perspective. If you took from my answer before to your colleague that we have updated the guidance about genocide since the last time I was here, that's not correct. I was making a general comment that we are always updating our guidance depending on facts, news on the ground, events, new things that come up. I don't believe we've updated anything to do with our guidance regarding genocide since we were last here. I'm happy to provide all of the—as I said to your colleague—Middle East guidance on notice for you.

I don't believe we've actually changed our guidance on genocide, nor have we ever said that the term 'genocide' cannot be used. What we've put in our guidance to staff is that it's a highly contentious matter and that by and large or on most occasions that, if you are reporting on allegations of genocide, you need to provide the other perspective on this issue. There are exceptions to that, clearly. If you are talking to somebody or if you are putting a live interview to air where somebody's experience has involved a family member that has died or something like that, we don't expect you to be questioning their claim at the time. But, if we are doing anything where the contentious allegation of genocide is made, our guidance is that you need to include Israel's denial of that, and that has been our guidance from the beginning.

**Senator FARUQI:** Have ABC journalists used the term 'genocide' in their reporting?

**Mr Fang:** Absolutely.

**Senator FARUQI:** They have?

**Mr Fang:** Yes.

**Senator FARUQI:** Mrs Kleyn, I think you said earlier that \$1.1 million has been spent on Antoinette Lattouf's case by the ABC as external fees to date.

**Mrs Kleyn:** Correct.

**Senator FARUQI:** Does the ABC regret not apologising to Antoinette Lattouf and paying her \$85,000 and letting her finish her two shifts on air as she asked in an open letter offer in July last year, given that now you have spent \$1.1 million already and probably internally a lot more?

**Mrs Kleyn:** It's very important for me to state that the ABC maintains that it did not terminate Ms Lattouf's one-week casual contract unlawfully. If you're asking me whether the ABC would have preferred not to spend \$1.1 million, the answer to that is yes. That's why we have attempted to settle the matter on a number of occasions. I think, as you reference, there has been information put on the public record. I think that includes things like reinstatement. It included a range of other requests. Financial compensation has only been one element of those requests, which has resulted in an unfortunate circumstance where we have not been able to settle the matter.

**Senator FARUQI:** Mr Fang, you said earlier in response to Senator Hanson-Young's questions that there was one editorial breach finding last year in regard to Israel-Gaza. Could you tell us what that breach was?

**Mr Fang:** Yes. We spoke about this at the last Senate estimates, so I would have to go back to make sure I'm detailing it correctly, but it was in relation to our coverage of the rally post the death of the Lebanese leader Hassan Nasrallah.

**Senator FARUQI:** I have a couple more quick questions. I'm not sure if we have the number of complaints that the ABC received about Antoinette Lattouf. Do you have the number of complaints that were received?

**Mrs Kleyn:** Not with me, I don't, and, no, I don't believe we've provided that on notice before.

**Senator FARUQI:** Could you take that on notice?

**Mrs Kleyn:** Certainly.

**Senator FARUQI:** Did any of the complaints relate to her actual on-air conduct?

**Mrs Kleyn:** I'm sorry, but I do not have the detail of complaints in front of me.

**Senator FARUQI:** Could you provide that?

**Mrs Kleyn:** Certainly.



**Senator HANSON-YOUNG:** Could I just do a follow-up to that.

**CHAIR:** Then we're going to have to—

**Senator FARUQI:** I just have one more question.

**Senator HANSON-YOUNG:** I think it would be helpful to know what the official complaints were through the normal public complaint process, but also, when complaints were made to members of the board, which we know occurred, where did they go? Were they logged as part of the process, or were they kept separately?

**Mrs Kleyn:** We'll take all of that on notice.

**Senator FARUQI:** Could you also take on notice how many complaints the ABC has received about journalists perceived to have a pro-Israel bias in their reporting?

**Mrs Kleyn:** We can take that on notice, yes.

**Senator FARUQI:** And have any journalists had their employment terminated—

**CHAIR:** Senator Faruqi.

**Senator FARUQI:** I just have one quick one, and then I'm done.

**CHAIR:** There's a whole line of people who wish to ask questions.

**Senator FARUQI:** I will put it on notice, Chair.

**CHAIR:** The committee had determined to stick to time. You can absolutely put further questions on notice. We have one final question from Senator Bilyk and one final question from Senator Cadell. Senator Bilyk.

**Senator BILYK:** I'll return to the questions I was asking earlier regarding potential funding cuts. We all know we're not going to be told until after the elections, if the opposition win government, what's going to be cut, so personally I'm quite concerned, because their love of the ABC isn't really out there in bold letters. I heard a—

**Senator HANSON-YOUNG:** But their hatred for the ABC is out there in bold letters.

**Senator BILYK:** I heard an interview on the ABC radio recently with shadow minister Melissa McIntosh. She was asked if she would rule out privatising the ABC, and she didn't rule this out. She's also the shadow minister for Western Sydney, so I'm interested to know if you have concerns about the fact that she didn't rule that issue out. Also, was the shadow minister invited to the recent opening of the new Parramatta studios?

**Mrs Kleyn:** To answer your first question, I have a strong belief in the importance of the ABC and the importance of the ABC for democracy, and I trust that is a belief widely shared. To answer your second question around the shadow minister, no, I don't believe the shadow minister herself was able to attend the event.

**Senator BILYK:** But was she invited?

**Mrs Kleyn:** Certainly.

**Senator BILYK:** By?

**Mrs Kleyn:** My understanding is that the shadow minister was invited. She was not personally able to attend, but she did send representatives to the event.

**CHAIR:** Senator Bilyk, we have to move on.

**Senator BILYK:** So the PM and the Minister for Communications were there, but I don't think either of—

**CHAIR:** Senator Bilyk, we have to move on.

**Senator BILYK:** Can I just finish this question?

**CHAIR:** You can put further questions on notice.

**Senator BILYK:** I'll do that.

**CHAIR:** I am trying to take us to time.

**Senator HENDERSON:** I just want to raise a point of order, Chair, in relation to Senator Bilyk's questioning of the witness. I'm just concerned that she is trying to misrepresent the position of the coalition. The coalition has made no statement whatsoever in relation to privatising the ABC. It's scurrilous, and it just goes to show—

**Senator HANSON-YOUNG:** Is there another question? Have we got time?

**Senator HENDERSON:** the government is only concerned with—

**CHAIR:** Senator Henderson, you do not have the call. Senator Bilyk, you do not have the call either. The call—

**Senator HANSON-YOUNG:** [inaudible] no cuts to the ABC, and then it was cut, cut, cut, cut.

**CHAIR:** No.

**Senator BILYK:** And it's scurrilous for the [inaudible].

**CHAIR:** Sorry, Senator Cadell. We will suspend.

**Proceedings suspended from 15: 43 to 15:44**

**CHAIR:** Thank you very much for coming along. I really appreciate it. I would like to just put on the record our appreciation—mine, anyway—for Mr David Anderson. I know he's not able to be here today, but he has given over 35 years of service to the ABC. He has been in front of this committee many, many, many times, and I just want to wish him well for his future endeavours and want that on the record. Thank you all very much for coming along.

**Senator HENDERSON:** Chair, can I just have an indulgence. I also endorse your comments on behalf of the opposition. We too would like to pay tribute to Mr Anderson for 35 years of service, a very long stint. We worked alongside each other in Elsternwick many years ago, so I've known Mr Anderson for a very long time, and I really appreciate the way that he has undertaken his responsibilities through the good, the bad and the ugly in Senate estimates, and we wish him all the best.

**CHAIR:** Yes, he always presented himself exceptionally well. Thank you so much for your time today. We do really appreciate it. We will now suspend.

**Proceedings suspended from 15:45 to 16:00**

**Office of the eSafety Commissioner**

**CHAIR:** Welcome back, everybody, and welcome to the Office of the eSafety Commissioner, particularly Ms Inman Grant. Would you care to make an opening statement?

**Ms Inman Grant:** If you would indulge me, I would like to keep you up to—

**CHAIR:** Absolutely.

**Ms Inman Grant:** Great. Thank you for the opportunity to update the committee on some important developments at eSafety since the last meeting. Firstly, you might have seen that eSafety recently took enforcement action against messaging service Telegram. We gave the company an infringement notice for almost \$1 million for missing our transparency reporting deadline by over five months after dogged and consistent efforts to deliver the legally enforceable notice to them. This delay held up publication of critical information about the steps the company has and has not taken to address any terrorist and violent extremist material as well as child sexual exploitation material on its platform, and I think you would agree that this is worst-of-the-worst online content being made accessible to Australians and deserves answers.

Telegram took 160 days to provide the information required to complete the transparency report, obstructing eSafety from delivering its function under the Online Safety Act in a timely and efficient way. We believe this action sends an important deterrent message to industry that timely transparency is not a voluntary requirement in Australia and that all companies that operate here must comply with Australian law.

You may have also seen the new eSafety report showing Australian children are easily circumventing inadequate and poorly enforced minimum-age rules employed by eight well-known social media services. In fact, 80 per cent of Australian eight- to 12-year-olds used one or more social media services in 2024. This is based on the findings of a national survey looking at the social media use of children aged eight to 15 combined with information provided directly to my office by the platforms in response to information requests under the Basic Online Safety Expectations.

None of these platforms has sufficiently stringent measures in place to determine age accurately at the point of sign-up, so there is currently not much stopping an under-age child from entering a false age or date of birth to set up an unrestricted adult account without extra safety features. There is clearly more work to be done to bolster age-assurance measures, especially as some services will be expected to prevent under-16s from having accounts when the government's social media minimum age legislation comes into force later this year.

Implementing these new industry obligations will be challenging for eSafety too, but we are hitting the ground running thanks to considerable work we've done already in the space, including the updated age-assurance issues paper we released in July 2024. This in turn built on consultations we conducted for the Restricted Access Systems Declaration out of the Online Safety Act 2021 and our extensive work in developing the age-verification roadmap, which we provided to government in March 2023.

eSafety is mindful of the need to balance the imperatives of safety with privacy, children's rights to expression online and a range of other fundamental human rights. Young people should also help inform these processes,

which is why we continue to support our eSafety Youth Council. Of course, the government's age-assurance trial that is currently underway will provide vital input. Since the last time I updated the committee, eSafety's world-first standards have now come into force, requiring global tech giants to tackle the most harmful online content, including child sexual abuse material and pro-terror content. As per our regulatory guidance, we are giving industry a six-month grace period to improve their safety systems and for enforcement of the standards to start in earnest.

Our designated internet services and relevant electronic services standards require file and photo storage services like Apple iCloud, Google Drive and Microsoft OneDrive, as well as chat and messaging services, to prevent their products being misused to store and distribute this harmful material. They also cover generative AI services where there are insufficient controls to reduce the risk of generating child sexual exploitation material, which could include some so-called nudified or declothing apps. We've written to a number of these providers whose technology has been implicated in the creation of deepfaked, image based abuse of under-18s in classrooms across Australia, enabling the creation of synthetic CSAM to the great detriment of these schoolgirls. We have let them know of their safety obligations and that we will take enforcement action in earnest.

eSafety has released a number of groundbreaking research publications with critical Australian partners during this period. In January, we published joint research with QUT showing one in four girls have experienced online sexual exploitation by an adult by the time they turned 18. Girls are often as young as 11 when this occurs, and we took the opportunity to once again urge families to prioritise online safety conversations with their children and provided them with a blueprint in which to have these important discussions. We in fact have a broad array of information and resources to help parents do just that, as well as to report online abuse, at [esafety.gov.au](https://esafety.gov.au).

Earlier this month, we published the second of two reports on what can be done to provide the healthy, positive role models and experiences our boys and young men tell us that they are looking for online. We've also telegraphed the work we're doing with a range of men's groups, including Movember and the Man Cave, to develop constructive guidance and a range of innovative resources for young Australian men. And last week we partnered with the Australian Institute of Criminology to take a closer look at sexual extortion; we've seen a 1,300 per cent rise in complaints to our image based abuse scheme since 2018, the vast majority from boys and young men. Shockingly, more than one in 10 adolescents surveyed had been sexually extorted in their lifetime, most when they were under the age of 18.

The research once again highlights the importance of continuing to address sextortion right across the community, and last week I met with law enforcement officials across the country to talk about ways we can join efforts to deliver effective prevention strategies for young men facing this incredibly pernicious form of social engineering. In the six months to December alone, we received 1,400 actionable reports of sexual extortion to our image based abuse scheme, and we know this is just the tip of the iceberg.

But, on a brighter note, I'm pleased to be able to say that the scheme achieved a fantastic success rate of 98 per cent in removing abuse material during the 2023-24 period, and this goes a long way to reducing the significant harm these young men are facing so that they know that they are supported, that they are not alone and that this too shall pass. I look forward to discussing further with the committee today how we are fulfilling our mission to keep all Australians safer online, and I'm happy to take any questions you might have.

**CHAIR:** Thank you, Commissioner. That's very helpful. We have heard a lot about the Adult Cyber Abuse Scheme this year, and I wonder if you could walk the committee through the process that you use for handling complaints and, particularly, how you prioritise those complaints. Do some things get pushed further up the priority list than others, and how do you manage that?

**Ms Inman Grant:** As you probably know, the Australian Adult Cyber Abuse Scheme is the newer scheme that came into force with the Online Safety Act 2021, and that was because of a very strong public push to emulate the youth based Cyberbullying Scheme for adults. So the government at the time made sure that, when they set the thresholds, they were well above to encourage freedom of speech and well above defamation and set them very high. In fact, there's a two-pronged objective test where, once a person who's experienced cyberabuse reports it to the platform, they can come to us if it isn't taken down and we assess whether or not there was serious intent to harm—not just mere emotional distress—and that it's menacing, harassing and offensive to an ordinary, reasonable person in all circumstances. So, again, it is a very high bar.

As a result, it is the smallest complaints scheme. The vast majority of reports we receive are for child sexual abuse material. That makes up about 84 per cent. So only about six per cent of the reports we get are actionable for a formal removal notice. I think what I'll do, though, is turn over to our general manager, Ms Snell, to explain how that process works.

**Ms Snell:** So the process when we get a complaint in, as the commissioner has explained, is that they need to have first of all made a complaint to the social media company. So we receive the complaint. We check whether it's met the thresholds of whether they're an Australian citizen and whether they've already complained, and then we assess it against the thresholds around, as the commissioner also identified, whether a reasonable person would consider the material to be intended to cause serious harm and whether a reasonable person in the targeted Australian's position would think that that were harassment et cetera.

So we do those assessments. At that point, if we think we need further information to clarify those, we'll contact the complainant and get that information, and then we make a decision. We assess it, and, if we think it meets the threshold, then the next step is to consider either formally issuing a take-down notice to the platform or engaging with them in an informal way. I can talk more to the reasons why we might engage informally. But, firstly, if it doesn't meet the thresholds but we think it's likely that it might breach the terms of service of the relevant platform, then we'll notify the platform for them to exercise their own discretion to review it for themselves, to determine whether it does breach their terms of service, and, if it does, whether they're going to take any action. They're not obliged to report that back to us or anything. So that's an option for them. We also, in those circumstances, provide the complainant with other avenues for further support for them if we're not going to take any further action.

If we've decided it meets the threshold, then sometimes we might engage informally with the platforms first. The reason for that is that a lot of platforms actually prefer informal engagement. It doesn't put the same amount of regulatory burden on them. So that's a positive for them, and for the complainants it can achieve a result more quickly. So it's a win-win in those situations. If a platform doesn't respond or doesn't take it down and we've considered that it meets the threshold, the next step would be to issue a formal notice, and we do do that when we think it's appropriate.

**CHAIR:** I note that you said that it was the smallest cohort of incoming complaints that you have. Would that mean that you just deal with all of them, or is there a prioritisation pathway that you use?

**Ms Inman Grant:** No. We have no litmus test. If we think there's imminent threat of harm or death, then we might triage it or refer it right on to law enforcement. But the vast majority of cases that we are actioning are in fact very severe doxxing where personal information might be shared about the person. Sometimes it's about where they live. We've seen forms of relationship retribution where former partners will say: 'My former partner's a prostitute. Here is her address. Knock on her door.' So, again, it is things that could put them in peril—serious threats of harassment. Remember that it does have to be directed at an Australian individual, an adult, so it doesn't capture groups.

I think it's also worth talking in this committee about some of the challenges in the ART. They have been really focused on individuals that are gender diverse. Probably two per cent of the reports that we take involve gender-diverse individuals. We also know that there is a much higher instance, through research and practice, of trans individuals, for instance, being targeted, and I'd just like to remind the committee that this is about targeted, direct online abuse that is designed to silence voices and to cause serious harm. So this is about online abuse. We don't choose who complains to us. We respond to everyone. We have to look at the facts and the evidence available to us at the time.

**CHAIR:** Great. Thank you. It was really great to be able to join your team last week at the amazing Port Adelaide Football Club—potentially the best football club in the country.

**Ms Inman Grant:** You didn't even get a rise out of Senator Hanson-Young.

**CHAIR:** No, I know, and she's an opposing supporter.

**Senator CADELL:** Silence is complicity!

**CHAIR:** Lovely to see that you're agreeing with me there, Senator Hanson-Young!

**Senator HANSON-YOUNG:** I'm just sticking by the rules of not picking fights in the committee! That's what I'm doing, Chair—just letting you know.

**CHAIR:** For those who don't know, we are from opposing hometown teams, which is entertaining and always fun and friendly.

**Senator HANSON-YOUNG:** Until it's not!

**CHAIR:** So the amazing Port Adelaide Football Club and Centacare were launching a project funded and supported through the eSafety Commissioner's office. I wonder if you would like to take us through the kinds of education programs that you are supporting and why you're funding NGOs and such to be doing this work. They took us through the program and showed us the online videos, and they'd utilised the players to connect with the

kids. It was basically a free online resource for all schools to promote behaviour and how to deal with issues, and the way they talked about how they developed it was really impressive. So I'd be keen to understand a bit more about your education programs.

**Ms Inman Grant:** Thank you. When I started, grants were not part of the eSafety education, prevention and communities program, and we've now had three different rounds. The first round was broad online safety grants programs, with three rounds of over \$10 million. The second focused on tech based abuse against women, which we know has been a very important issue. The way I like to look at it is it allows a thousand innovative flowers to bloom with the creativity and the innovation. The impact that these community groups are having at the coalface is more than any one agency could do. If I may, I'd like to call up Mr Clark, who runs our education, prevention and communities program, to talk a little bit more about some of these programs. I thought he'd be rip-roaring, ready to go.

**CHAIR:** I think we've converted him to the Port Adelaide Football Club as well. I'm pretty sure I saw you with a scarf on down there!

**Mr Clark:** Thank you, Senator. As the commissioner mentioned, the first round was \$9 million over three grant rounds. One of the biggest impacts we see of these community grants is that they're able to complement and build on our existing suite of resources. For example, with the online safety grants, the first two rounds had an impact on around 2.5 million Australians in local communities, and the third round, which launched last week, is the final tranche of that. They go to a very diverse range of community organisations—for example, Port Adelaide with Centacare and CatholicCare NT—but we've worked with Project Rokit and the Amaze foundation, who develop work specifically for young people with disability. So it is a really great way to get direct community engagement.

**CHAIR:** And leveraging off the relationships they already have and the connection they already have, I assume.

**Mr Clark:** Yes, that's correct.

**CHAIR:** Thank you. That's really all I had. It was lovely to be there with you, Mr Clark. It was a very uplifting day. We will now go to Senator Hanson-Young.

**Senator HANSON-YOUNG:** Thank you for being here, Commissioner. I do want to ask about what type of consultation you've had from the government since the passage of their social media ban. You've been on the record previously about the fact that blunt bans in and of themselves don't necessarily work to make social media platforms safer. What type of consultation has happened with the government since the passage of that legislation?

**Ms Inman Grant:** As you know, we don't make the laws, but we implement them. This is a very novel and complicated piece of legislation we take very seriously, and there are a lot of interdependent and moving parts. Of course right now there are two very important processes taking place. The first part is the consultation around the disallowable instrument, and that's being run by the department. As you know, the legislation requires that eSafety set out independent safety advice in the context of that, and, when that advice is requested, we're looking at about 100 different platforms. We're of course using our regulatory insights and our complaints and investigations data. We're also looking at things like harmful and deceptive design practices, because certainly, when you're talking about opaque algorithms, addictive features or algorithmic manipulation, I think under-16s would certainly benefit from not being exposed to that; that's not really a fair fight. When we are asked for that information, we will provide it to the minister, and that will be part of her consideration in terms of determining which platforms are contained under the scheme.

The second part, of course, is the age-verification trial. We've signed a separate MOU with ACCS just so we can stay arm's length. This is being run by the department. Obviously we're following it with great interest. We signed the MOU so that everything was transparent and above board. We provided input, for instance, into their evaluation proposal because whatever outputs they have will really inform our reasonable steps. The most important area for us is in determining the reasonable steps, and the dependencies there are which technologies pass muster and are deemed to be both safe and private enough. We're building a social media age restriction team—we're calling it the SMAR team—and we'll have an industry supervision person. We're starting to put those into place. I think you know that deep, meaningful consultation is really important to me, as is including young people in the process themselves.

The other thing that we're doing is a theory of change, and that is being done by our evaluation and research team. We're making that available through a panel process to academics that are in this field so that we can

actually measure the impact and have an evaluation basis and be able to look at unintended consequences as well as benefits.

**Senator HANSON-YOUNG:** Thank you. I'm interested to see how that rolls out. Just to be clear, the online safety rules is effectively what will determine which platforms are in or out.

**Ms Inman Grant:** Those will be determined by the Minister for Communications.

**Senator HANSON-YOUNG:** And you haven't been consulted on those yet, but you expect to be?

**Ms Inman Grant:** The minister, through the department, is consulting with stakeholders on that now. She will request, at the appropriate time, our independent safety advice, and I imagine that before she makes her final determination she'll discuss it with us, as she always does.

**Senator HANSON-YOUNG:** But that hasn't happened yet. So at this point we still don't know whether YouTube is in or out or Spotify is in or out and where Discord sits in any of this.

**Ms Inman Grant:** That is what, yes, this really important initial process is meant to determine.

**Senator CADELL:** There were some draft rules tabled today that actually give some guidance on that.

**Senator HANSON-YOUNG:** Good. Could I zoom out a bit. Obviously there's been a lot of talk about the impact of online safety and what the world looks like in terms of social media companies behaving and looking after users following the US election. We've seen, obviously, Elon Musk have a lot of new-found power in the White House—he's literally hanging out in the Oval Office daily, it seems—and obviously there have been announcements and changes at Meta as a result of Mr Zuckerberg wanting to suck up to the President. You're an expert in this. Your agency looks at how these platforms engage. Are you worried about the comments, changes and behaviours of these big tech platforms since the re-election of the Trump administration?

**Ms Inman Grant:** I would note we're in touch with these major companies on a daily basis through complaints and our codes and standards processes, and when we learnt of the plans to roll back the online hate policies I did reach out to Facebook globally and locally to ask whether our working relationship and our arrangements would change markedly as a result. They said no, and it hasn't yet been 30 days, so we haven't seen any marked change, but we'll continue to watch. My job is to enforce the laws of Australia under the Online Safety Act and to ensure that children in particular are kept safe.

**Senator HANSON-YOUNG:** Have any government ministers or departmental officers reached out to talk to you about how to handle this going forward, particularly in relation to how the US is behaving, given the amount of power these tech bros seem to have in the White House?

**Ms Inman Grant:** The government-to-government engagement does happen at the leadership level. We don't have a direct counterpart in the United States. We've worked tangentially with a number of organisations like the FTC and the Department of Justice. Just last December we did a project with the Department of Homeland Security and 40 US based tech and AI companies around safety by design, to combat child sexual abuse material. This was just two months ago. I think that, in particular, this is an issue where there will be synergies. When I started this role, it was during the first Trump administration, and we've continued cordial relations in areas where there are intersections, but I'm of course letting the government take the lead on engagement with the Trump administration.

**Senator HANSON-YOUNG:** But there's been no official briefing sought from the minister, either Minister Rowland or indeed Minister Wong, in relation to these matters?

**Ms Inman Grant:** I have not spoken to Minister Wong. Unfortunately I haven't spoken directly to Minister Rowland, but I speak to their office on a regular basis.

**Senator HANSON-YOUNG:** Thanks.

**CHAIR:** Senator Cadell.

**Senator CADELL:** I'll going back to the Telegram situation, and you said they had 160 days to comply and they chose not to. Has there been any communication about why they chose not to, or have they just gone radio silence?

**Ms Inman Grant:** It was an interesting situation, because we've issued about 30 notices to 19 different companies, and it's standard that we would say: 'We've got a transparency notice. It's legally enforceable. Are we sending this to the right entity?' And they will usually tell us yes. We had an email, a single name of a person and the email for the abuse team—and we continue to use that—and we let them know we were going to issue a notice. They wouldn't accept the notice. When we asked them where we should send it to, they wouldn't respond, and so we tried to send it physically.

**Senator CADELL:** But they acknowledged that they existed. It wasn't a dead email address. This person was communicating.

**Ms Inman Grant:** It was very sporadic and frankly quite shady. It was unlike any engagement we had before. Things changed, and they have had an abuse team. They're a billion-dollar company with 950 million users. They have a legal compliance officer. They have what is called a grievance officer, which is required under the India IT Act. They've had these personnel in place since 2021, and they decided to engage around late August of last year.

**Senator CADELL:** It's an odd amount \$957,780. I take it that's a penalty unit multiplier, not any other strange amount. I think Senator Shoebridge, last time, raised questions when there were challenges to this. Can Telegram appeal the infringement notice? What's the process there? Are they stuck with it? What happens now?

**Ms Inman Grant:** They can appeal. They have 28 days to ask for—

**Senator CADELL:** From when? From yesterday?

**Ms Inman Grant:** From when it was issued.

**Senator CADELL:** When was that?

**Ms Inman Grant:** That was late last week. Would you like to continue, Mr Fleming?

**Mr Fleming:** Just to run through some of the obligations on Telegram, they don't have to pay is the short answer.

**Senator CADELL:** That was the same situation that we went—okay.

**Mr Fleming:** They can choose to pay to resolve the issue. They can also seek an extension of time to pay the amount. They can choose not to pay. They can seek to have it withdrawn, and then they can also seek judicial review of the issuing of a notice. In terms of what it means for eSafety, if they don't pay, we can do nothing or we can enforce the notice by commencing proceedings in the Federal Court.

**Senator CADELL:** From the reading, you could have levelled a higher penalty against them? You could have chosen that?

**Ms Inman Grant:** Yes.

**Senator CADELL:** What was the maximum you could have gone to?

**Ms Inman Grant:** I believe it was \$2.7 million.

**Ms Snell:** It was certainly over \$2 million.

**Senator CADELL:** I'll put it on notice, but it was between \$2 million and \$3 million.

**Ms Inman Grant:** We can definitely take that on notice. It was substantially more. This was meant to send, as I said, a deterrent message, but it also acknowledged that eventually they did come to the table. But, if every company obstructed our ability to do our jobs for five or six months at a time, we wouldn't be able to provide this transparency, and without this transparency there is no accountability or responsibility.

**Senator CADELL:** You mentioned 20-odd other notices for information you gave out. They were to Meta, Google, Reddit, X and others. You were satisfied with the processes the other platforms or companies went through?

**Ms Inman Grant:** We can go through those. I think we issued one formal warning.

**Ms Snell:** In respect of the same notice that we issued to Telegram, there were eight notices issued. The commissioner was talking more broadly over a period of time regarding how many notices we've issued. But in respect of the eight that were issued, X also refused to comply and has actually sought a review of that notice. That's a matter before the tribunal.

**Senator CADELL:** But they're engaging?

**Ms Snell:** X is not. That's a matter before the tribunal, so there's nothing more that we can really say about that. All of the other platforms responded within time or sought extensions as appropriate at the time.

**Ms Inman Grant:** Just to give you the overall view and just to make sure you have these numbers, there were 19 nonperiodic notices to 30 services regarding child sexual abuse material, online hate and terrorist and violent extremist material. We've given two infringement notices—one to X Corp and one to Telegram—two service provider notifications and one formal warning to three companies in relation to four notices, and we have eight periodic reporting notices that we'll be publishing shortly.

**Senator CADELL:** I'm showing my lack of knowledge here. When we talk about take-down notices and stuff like that, it works on platforms where there are posts and things like this—the Reddits and stuff. Given peer to peer and your stat that one in four girls is suffering some sort of sexual thing—I have a mother that I was just

texting when I couldn't find the right folder for what questions I was going to ask you. I was reaching out. She has a 14-year-old daughter to whom a 17-year-old male sent a junk pic—Xavier from Cardiff, you shouldn't advertise inferior products. What steps does she take to try and protect—we said shut down and get them off, but it's a split relationship and she doesn't have control of the device all of the time. You've said you've got to go to the platform first on the peer to peer. What can she do to protect her daughter when she doesn't control her device?

**Ms Inman Grant:** Do you know what platform that was on?

**Senator CADELL:** Instagram.

**Ms Inman Grant:** That's a concern that we've raised—

**Senator CADELL:** Snapchat's been banned.

**Ms Inman Grant:** with Meta—that one in eight young people, young girls, have reported being solicited by an adult, which is a criminal offence. That's research that Instagram undertook themselves.

**Senator CADELL:** Instagram did their own research and found one in eight?

**Ms Inman Grant:** Yes, and they still don't have any button or functionality for a young person to be able to say: 'I've been approached by an adult. This is creepy.' That is another issue that I've continued to raise with their senior leadership. They do have teen accounts, but there is clearly a lot more that needs to be done. In a case like that, unsolicited intimate imagery—

**Senator CADELL:** I believe soliciting 14-year-olds or 17-year-olds—

**Ms Inman Grant:** Pardon me?

**Senator CADELL:** It's rubbish, isn't it. It's illegal.

**Ms Inman Grant:** They're both still minors, but I would recommend that she, of course, block and not engage. Because he is a minor, for me, as another mother, I would be speaking to their parents.

**Senator CADELL:** Unknown.

**Ms Inman Grant:** Unknown? So we don't even know if they're 17, and it could be a criminal offence.

**Senator CADELL:** Correct.

**Ms Inman Grant:** This is the problem with co-mingled platforms.

**Senator CADELL:** On that peer-to-peer stuff, it's much harder, isn't it? There aren't takedown notices. Things are there. You're not reported. It's a much more unsafe space—Snapchat and these things.

**Ms Inman Grant:** Through our complaints and investigations, we do have a cyberbullying scheme which does deal—it's almost always peer to peer or an extension of that. If it's image based abuse, such as sharing of non-consensual imagery without consent, as I said, we have a 98 per cent success rate. That can be reported to us through our complaints schemes. Generally, when they're minors, that is then considered child sexual abuse material, if there is nudity involved, so we refer to the Australian Centre to Counter Child Exploitation.

**Senator CADELL:** I'm going to look at the chair to see if she is going to rotate or if I can go on to a separate matter.

**CHAIR:** I'll go to Senator Roberts and come back to you.

**Senator ROBERTS:** Can I, first of all, pay a compliment and I'll read out some statistics. From the ACMA annual report 2023-24, the office of the eSafety Commissioner has received 13,824 complaints regarding web URLs, with 82 per cent relating to reports about child sexual abuse, child abuse or paedophile activity. This is a 19 per cent increase from the previous year. Your office sent 9,190 notifications related to child sexual abuse material to the INHOPE network—which I understand are the good guys, the right people to work with—and referred 130 investigations to the Australian Federal Police. On cyber abuse, you received 2,695 complaints to the Cyberbullying Scheme for Australian children and 3,113 complaints to the Adult Cyber Abuse Scheme with a removal rate of 88 per cent where removal was required. My opening comment is simple: well done; thank you very much. This is important work.

My first question is that you finalised 9,461 critical investigations into terrorist and violent extremist content, representing a 229 per cent increase—that's amazing—in these types of complaints from the previous year. I'd like to ask about that. How do you define terrorist and violent extremist content?

**Ms Inman Grant:** I will turn over to Ms Snell to talk about that. That is part of our illegal and restricted content team under the Online Content Scheme.

**Ms Snell:** I'm actually going to invite Mr Downie, who is the executive manager for our Investigations Branch, who oversees this work, to talk specifically to this.



**Mr Downie:** When we're dealing with terrorism and violent extremist content under the Online Safety Act, we deal with terrorism as defined under the Criminal Code to the pure definition of what a terrorist act is. However, when we're applying the Online Safety Act, we apply the content according to the classification scheme, and we'll classify that material as 'refuse classification', which then falls into class 1 and class 2 definitions.

**Senator ROBERTS:** Is this content relating to Australian content or international content?

**Mr Downie:** With the complaints that we receive, we receive content that can be generated or hosted anywhere in the world, but the key is that it's accessible by the people within the Australian community.

**Senator ROBERTS:** Do you seek this content out yourself, or do you rely on a complaint before acting?

**Mr Downie:** Generally, we rely on a complaint before acting; however, we do have own-motion investigation provisions where we are then able to further conduct investigations to locate material that may be in furtherance of that complaint.

**Senator ROBERTS:** Of those 9,461 completed investigations, what was the outcome, please?

**Mr Downie:** I'd have to take that on notice for the specific details of those investigations, but in the majority of cases that content is removed.

**Senator ROBERTS:** Is there any demonstrable benefit from you taking this material down? What is the benefit to the taxpayer of this aspect of your office?

**Mr Downie:** Having access to that type of content, whether it be globally or not, is very harmful to members of the community. That material can be used to incite violence. It can be used to radicalise vulnerable people or youth, which, as we've seen in the media, can be then used to incite further violence within the community. So less access to that type of content can only be beneficial for the Australian community.

**Ms Inman Grant:** And I'd note that ASIO Director-General Burgess has said that the vast majority of terrorism investigations conducted right now are of young people between the ages of 14 and 21 and in every single case they have been radicalised somehow on the internet. You would probably also be aware of, heartbreakingly, the stabbing video of bishop Mar Mari Emmanuel, which was geo-blocked here by X but was available in the rest of the world. In the sentencing of the 17-year-old Southport killer, Axel Rudakubana, who went and stabbed three little girls to death while they were making bracelets at a Taylor Swift themed dance party, that very video, that very Wakeley stabbing video, he accessed on X 25 minutes before he stabbed those little girls and claimed that that was his inspiration. So you can imagine that this is something that the UK government has wanted to talk to us about. We have a partnership with Ofcom. We of course have different powers, but I think it's just a very powerful reminder that this kind of content is accessed by young people. It can normalise, desensitise and, in the worst cases, radicalise.

**Senator ROBERTS:** On page 206 of the ACMA report, there's a graph which shows X is the source of five per cent of your cyberabuse claims and Google four per cent, compared to Facebook at 25 per cent. Page 216 of your report lists major noncompliance actions. X has four and Google one. Why does X occupy so much of your time?

**Ms Inman Grant:** In terms of adult cyberabuse?

**Senator ROBERTS:** In terms of terrorism complaints and cyberabuse.

**Ms Inman Grant:** If you recall back to 16 April, around the Wakeley stabbing, we worked with all platforms. With the exception of Meta and X Corp., they all did a good job in trying to identify, detect and remove the Wakeley terrorism video. We weren't satisfied that either Meta or X did, but, once we issued formal removal notices, Meta responded and complied within the hour, and, of course—you know the story—X said, 'We'll see you in court.' That's what has taken our time.

**Senator ROBERTS:** What about the others? That would apply to one of your complaints against them. What about the others? Why the other three?

**Ms Inman Grant:** It depends on the type of harm. For instance, when we're talking about youth based cyberbullying, most of the cyberbullying happens on the top four platforms where children spend their time, on YouTube, TikTok, Snap and Instagram. When it comes to image based abuse, there's a much higher proportion now of sexual extortion targeting young men between the ages of 18 and 24. They tend to meet on Instagram, sometimes on Snap, and then they're moved off platform. So it depends on the form of abuse. It also depends on the complaints we get. But, when it comes to the terrorist and child sexual abuse material, we go to where the content is hosted and shared.

**Senator ROBERTS:** That still doesn't answer the question. You've got four major noncompliance actions against X and only one against Google, yet you've mentioned several platforms. Why does X have to occupy so much of your time?

**Ms Inman Grant:** Because they did not comply with our notices. Google came close to not complying, so we gave them a formal warning.

**Mr Fleming:** Those tribunal and court cases are often initiated by X, so we're responding to the claims that they make challenging our powers. That's why they feature the most.

**Senator ROBERTS:** The report goes on to list how many notices are issued under each part of the act yet does not provide a detailed list. This is fine for child and adult abuse material, of course. We're happy with that. For class 1 extremist and violent material, why are we not provided a list of what the commissioner considers worthy of a takedown notice and the reasons why? There's a widespread belief in the public that you're overstepping on your choice of material to take down.

**Ms Inman Grant:** Respectfully, I'd like to read from some weighted and validated surveys of the Australian public. In November 2024, a weighted survey of Australians found that 87 per cent of those surveyed supported the introduction of stronger penalties for social media companies that do not comply with Australian laws, 77 per cent supported the proposed ban on social media for children and 75 per cent supported the Australian government's plan to introduce a digital duty of care. In August 2024, a weighted survey of Australians found that 79 per cent said that social media platforms should operate with a regulator with the power to order content removal. That seems like a pretty overwhelming amount of support from the public.

**Senator ROBERTS:** That wasn't my question. My question was: why are we not provided a list of what the commissioner considers worthy of a takedown notice and a breakdown of the reasons why?

**Ms Inman Grant:** We provide as much transparency as we can. You would understand that confidentiality is incredibly important. We can't describe these in great detail. We can't name names. What kind of information do you think would be helpful to your understanding? That's something that we can certainly look at in the interests of transparency.

**Senator ROBERTS:** The specific behaviours, without breaching confidentiality, would be helpful. We wouldn't expect you to breach confidentiality or name names—certainly not—but we would like the types of actions that the commissioner thinks worthy of a takedown notice, as I said, and the reasons why.

**Senator McAllister:** The commissioner and I are trying to understand, with a little more precision, what sort of information. You're simply saying a generalised list of examples that are deidentified—

**Ms Inman Grant:** Of 40,000 complaints we receive annually.

**Senator ROBERTS:** You're dealing with them, so presumably you know what they are. I'd like to see some sort of classification so that people could understand the proportions, because at the moment I don't think you're accountable for that.

**Ms Inman Grant:** We can take that on notice. We would have to look at privacy and confidentiality. We would also have to look at resource implications and how that might serve the public interest, but we're happy to take a look at that.

**Senator ROBERTS:** I think the people have a right to know. Referencing unofficial takedown notices, which I note are issued under section 183(2)(zk), these go to the question of your secrecy. If these are dangerous enough to require a takedown, then they should be dangerous enough for you to list out by making the register of takedown notices public knowledge—that's what I was getting at. Otherwise, you're simply exercising power without any accountability, power that can be abused. How would we know? Can you, Commissioner, point to one terrorist act you've prevented, one person you've deradicalised or one benefit to Australian society from the money you have spent on your campaign against extremist material?

**Ms Inman Grant:** I go back to what D-G Burgess often says, 'You're never congratulated when you stop something from happening.' Again, do we have to have more heartbreaking examples of, like I just explained to you, what happened with those three little girls murdered in Southport, UK? We'll never know. What I do know is I have parents coming up to me and saying: 'You've saved my son's life. He was sexually extorted. He had just turned 18. He went to the police; no-one would help him. I wasn't going to let it go. I found your website. Your investigators supported him, got the content down, gave him advice and sent him on to mental health support services.' So I do know that we're saving lives every day.

How many cases of 12- and 13-year-old girls being cyberbullied and bullied do you need to prove that this is a veritable epidemic and that young people are losing their lives? We're here to help them and to prevent that from

happening. My biggest regret, if there is one, is that more people don't know about us. Only about 40 per cent of the Australian population knows about us, but we do everything we can to help people. When we stop helping people and making the online world a safer and better place, then, yes, it's time to hang up our hats, but we're just getting started.

**Senator ROBERTS:** With due respect, Ms Inman Grant, you didn't answer my question—

**CHAIR:** Senator Roberts, we have to rotate the call. There are a lot of senators who wish to ask questions.

**Senator ROBERTS:** I just want to clarify that one.

**CHAIR:** I can come back to you, if you wish.

**Senator ROBERTS:** It'll only take a second to do this.

**CHAIR:** Go on then.

**Senator ROBERTS:** I asked, 'Can you point to one terrorist act?' I accept you're doing a good job. You're preventing child abuse, no doubt about that. We've discussed that in the past. Can you point to one terrorist act you prevented, one person deradicalised or one benefit to Australian society from the money you have spent on your campaign against extremist material? That's what I want to know.

**Ms Inman Grant:** We're not going out into the public asking young people if they saw a particular video that radicalised them or not. We do know when people have been radicalised by content that has been online. Some of the gore content that we've taken down includes the manifestos, the horrific imagery of people at Christchurch huddling in the corner while being shot. Anything that's dehumanising that we are able to get down to not cause further pain to victims and their families and have not incite others into taking the same action, I think, is worth doing. I don't need proof that I prevented this, that or the other from happening. We're trying to make the internet a safer, more positive place with less violent extremist material, and that's why we take these issues so seriously.

**Senator ROBERTS:** My concern is with—

**CHAIR:** We'll go to Senator Darmanin—

**Senator ROBERTS:** I'll put one more question on notice.

**CHAIR:** I'm sorry, Senator Roberts. We are moving on. You can put your questions on notice from here. We'll go to Senator Darmanin.

**Senator DARMANIN:** Commissioner, we've seen recent reports of an invitation that you received from Dr Andrew Forrest to attend the artificial intelligence summit at Minderoo Station last August. Could you talk to the committee about why you would attend an event like this and how it fits within your broader engagement strategy.

**Ms Inman Grant:** The invitation came from the Minderoo Foundation. As you may know, they've been involved in frontier tech for a long time, so they've developed a very strong network of global academics and AI leaders around the globe. They brought together, at Minderoo Station, 32 of the greatest minds in AI for a weekend discussion around AI safety, responsible AI and ethics.

Of course, I always assess, 'Is there ROI here?' I have to say, I don't think there's ever been a gathering of this many AI experts ever in Australia. I had a four-city trip, one that took me to Perth. The only way that I could get up to Minderoo Station, short of driving 14½ hours each way, was through a chartered plane. I did accept that as a gift. I rode with the other people up there, and I stayed on the premises. The estimated gift, if you will, was about \$5,100.

I've learned a tremendous amount. My philosophy is that I could sit in my office and just do correspondence, or I could get out there and I could learn about the technology changes that are happening. I could meet the technologists who are creating it. I could talk to the people who are experts who know how this could go wrong and what we need to do to draw these red lines. I've harnessed a lot of those relationships and that knowledge in terms of the regulation of AI that we're doing today. That was the relevance. It wasn't a great expense to the taxpayer at all, and it is on the January gifts and benefits register. With ACMA and eSafety having gone through an ANAO audit, we've learned a lot and we've really strengthened our policies. I think you'll see a lot of rigour not only in terms of which things I accept and how much they cost—and that goes for my staff too—but in listing all of the things I'm invited to that I say no to, which is obviously a longer list.

**Senator DARMANIN:** Do you want to make any further comments about your broader engagement strategy? I note that earlier, in response to Senator Roberts, I think you talked about only 40 per cent of Australians knowing of the eSafety Commissioner.

**Ms Inman Grant:** Right. We're just coming up on 10 years. We're a small agency. We have 189 ASL, so we use earned media to try and get word and some marketing out. I think we really punch above our weight. This year we've had 4.7 million unique visitors to our website. We've had 11 million website views. We've reached a million Australian school students through our virtual classrooms. We have trusted eSafety providers which, last year alone, reached 1.2 million users. We're using all the tools that are at our disposal. It's just that sometimes I come across people, particularly people who've had tragic occurrences with a child, and even sometimes police, who say, 'I had no idea that you had these powers or you had the ability to achieve takedown or to work directly with these overseas entities.' That's why we want to get more of the word out.

**CHAIR:** Senator Cadell.

**Senator CADELL:** I'll go to the recent ART hearing where, I think, Baumgarten was the plaintiff. That was recent enough. Are you still considering your position? Can that be appealed? What's the position of the eSafety Commissioner on that ruling?

**Ms Inman Grant:** That is, as you know, before the tribunal. I will turn over to our general counsel, Mr Fleming, to talk about what that decision actually said and what our options are.

**Mr Fleming:** As you say, we need to be careful what we say, given it's still before the tribunal. The ART noted the range of powers that the eSafety Commissioner has in performing its role and functions. The main issue for the ART was whether it had jurisdiction to review the process decision that was made by eSafety. That was an interlocutory decision. They found they did have jurisdiction. We are still considering that decision, and we'll make a decision before the end of the appeal period.

**Senator CADELL:** The balance between free speech and protection is a hard one for legislators. So is enforcing the balance of that. We're all on the spectrum in one way or another. This one is an interesting one. My understanding—and I'm learning as I go—is that the difference between an informal versus a formal takedown notice is an interlocutory decision. You said that it was an informal notice, therefore it wasn't an interlocutory one. The ART initially said that the way it was lodged, not the form that it was, was the reason that they could appeal. Is that a correct understanding?

**Mr Fleming:** Again, without going too much into it, the judgement sets out a range of factors that they used as indicia as to why they found they had jurisdiction. Without wanting to paraphrase those, I'll direct you to that judgement. It does set those out.

**Senator CADELL:** Have you changed procedures, any other methods of doing business or in giving informal notice on the basis of that decision to this point?

**Mr Fleming:** These are very individual and specific judgements based on the specific circumstances and facts.

**Senator CADELL:** They're narrow.

**Mr Fleming:** We have considered whether what we're doing is what we should be doing. We've made some small changes. We hope that will further clarify the difference between those two approaches.

**Senator CADELL:** Understood, sort of. So it's a small change in procedure, looking at how this goes going forward, whilst we assess options on what you'll do on this specific decision.

**Mr Fleming:** That's right, Senator. And the other thing to bear in mind is that in the Online Safety Act review there's a recommendation that this approach be maintained and strengthened. I think it's recommendation 14 of the Online Safety Act review. So that independent review did see a lot of value in the timeliness that we can get things taken down because of that informal process, so there are a few things to play out.

**Senator CADELL:** Are there any other notices or appeals or actions like this afoot that you are aware of?

**Mr Fleming:** We have a number of matters before the tribunal, but this is really the only one that relates to this issue.

**Senator CADELL:** Something you touched on during earlier questions from Senator Hanson-Young, I think, was the age verification trials. I am torn apart by people for being the senator who notoriously looked up pornography in this hearing 2½ years ago. Will that extend beyond social media? I think you expressed some desire to go to gambling and/or pornography. Is that a possibility, that technical solutions could go that far, or is it only on social media?

**Ms Inman Grant:** This particular bill?

**Senator CADELL:** Not the bill, the assurance trials.

**Ms Inman Grant:** The age assurance trial is one that's being run by the department.

**Senator CADELL:** Are you having input into that? Would you like to see it look at these other things?

**Ms Inman Grant:** I think the trial is very well scoped as it is. It's worth noting that we have a set of what we call our phase 2 codes, which will cover eight sectors of the industry from device manufacturers to app stores to social media sites. The draft codes will be provided to us by industry at the end of this week, and that will require them to take steps to prevent children from accessing class 2 content like pornography, self-harm, disordered-eating content. Our stated desire, through a position paper we put to the industry, is that we would like to see responsibility taken up and down the technology stack. Once we get those and we analyse those against the guidance that we've given them, I need to determine whether they meet appropriate community safeguards.

The reason I'm mentioning this is this goes back to a statement that ACCCE made that the social media minimum age bill will help us to keep certain things—

**Senator CADELL:** It's linked to that trial, yes.

**Ms Inman Grant:** but not everything. We need multiple interventions and that includes the prevention; that includes safety by design; that includes the systemic powers, the transparency of the codes, the standards. All of these things together, I think, will make us strong. This is definitely a very bold step that we're taking, and the world is watching.

Last week, I put out some online safety advisories on a new kind of product around AI companions and sexualised chatbots. Our concern is that young people, even in upper primary school, are spending up to four to five hours a day engaging with AI companions that can be based on celebrities or characters. You may be aware there was a big *New York Times* piece about a US based case where a mother is suing character.ai. That is something that is impacting children here right now and we don't have any tools to be able to deal with that phenomenon. That's why it's really smart that we've got a two-year review period for the social media minimum age bill. The government this year brought up the Online Safety Act review to two years. Technology is changing rapidly and the tools that we have need to evolve with it.

**Senator CADELL:** Knowing that age assurance was a bipartisan thing, one of the personal reservations I had was that it was to look at these age assurance trials and other things and develop the rules as they were. We don't know how it's going to work. There was general agreement across everywhere on the intent, but how it's going to work is still unknown. Seeing as you'll have carriage of the under 16 social media ban, do you have good visibility?

**Ms Inman Grant:** We're observers on the stakeholder group. As I said, we have a separate MOU. This is being run by the department. I think they made a very good choice—

**Senator CADELL:** With the company?

**Ms Inman Grant:** with respect to the consortium that they're going with. In April we'll have an interim report. In June we'll have a final report. The scoping that the department did shows that it will even be looking beyond the age assurance trial to things like parental controls. That will be valuable for all of us in looking at very different ways we can keep kids safer online.

**Senator CADELL:** Thank you, Chair.

**CHAIR:** Senator Bilyk or Senator Darmanin. Do you have anything further?

**Senator DARMANIN:** Just looking back over this term of parliament, I'm wondering if you could talk a bit about how the commission has changed over the last couple of years. Your office received substantial new resourcing and you've had stability of funding since 2022, and you've talked quite a bit today about some of the achievements that the office has made and the inroads it's making into making things safer. Can you talk more about how you've been able to deliver more specifically with the increased resourcing that you've been able to secure?

**Ms Inman Grant:** I will just start by saying we've really welcomed the foundation of certainty that that consistent funding has brought to us and the resourcing for us to be able to move from 35 ASL when I started to 189. What I'd love to do is turn over to our head of technology and strategy, Ms King, to talk about the range of things that we've been able to do—again to help us get a little bit ahead with our technology advisory and our technology tools that are actually home built as well.

**Ms King:** Thank you, Commissioner. As the commissioner said, we have received additional funding over time, and it's particularly related to our ongoing baseline funding. Through that we've been able to build up additional internal capability around our regulatory functions and our education functions, of course, but also around our technology capability. As the commissioner said, technology is moving and advancing so rapidly that we need to have that internal expertise as well. We have internal technology teams that have been part of that funding over time. That includes the ability to provide those advisories that the commissioner also just mentioned

around new and emerging applications and technologies. We'll be really supporting things like our technology facilitated abuse service and other advice we give to the public. We've really put quite a focus on putting that internal expertise in-house to be able to keep up as best we can.

**Senator DARMANIN:** Thank you very much.

**CHAIR:** Commissioner, thank you so much for your time. I was incorrect; we didn't make it all the way to 5.15.

**Ms Inman Grant:** I'm not going to complain.

**CHAIR:** Thank you so much for coming along and sharing with us.

**Ms Inman Grant:** Thank you for having us!

### **Australian Postal Corporation**

[17:08]

**CHAIR:** Welcome, Mr Graham. It's good to see you. Would you like to make an opening statement?

**Mr Graham:** Yes, I would. I'm joined today by Jane Anderson and Nick Macdonald. I'd like to start by acknowledging traditional custodians, the Ngunnawal and Ngambri people, and pay my respects to their elders. I thank the committee for the opportunity to provide this brief statement.

Australia Post continues to make significant progress on our Post26 transformation program, which is driving material improvements across the business. Whilst we've not yet announced our first-half results, the combination of our Post26 Strategy, modernisation reforms approved by parliament and a record peak—we delivered 1.2 million packages—has underpinned a strong performance in the first half. Although positive, it is important to note that our first half is traditionally profitable whilst we usually run at a large loss in the second half, and we don't anticipate FY25 to be any different.

Australia Post continues to face a number of challenges, both structural and competitive, and letter volumes continue to decline year on year. I have said before that letters will never return to profitability, but I can assure you that Australia Post will continue to deliver mail to every part of the country until the last letter is sent.

Additionally, we are under significant competitive pressure from global logistics and e-commerce providers making significant investments in our market, along with the growing number of foreign startups. Australia Post competes against these players, who don't make the same important contribution to our job market, economy and community wellbeing. We are committed to supporting the Australian community, which is why it's important that we build a long-term, financially sustainable business.

We recently announced new in-principle Bank@Post agreements with Australia's big banks. Before this, Bank@Post was on a pathway to significant financial losses. These deals were secured after months of challenging negotiations. I want to thank the Australia Post team for securing the new agreements and the government for their support in delivering a much-improved Bank@Post outcome. On behalf of the millions of Australians who use our banking services, I would also like to thank the banks for signing up to the new funding agreements, which will enable us to continue to provide basic banking in the hundreds of communities where a post office is the last bank in town.

While these new deals will help reduce Bank@Post losses, Australia Post, the government and the banks all recognise that we need a longer term solution to ensure that services remain available and financially viable, especially in rural and regional Australia. It's also great news for our licensed post offices, as they will have greater certainty over the service, and, with ANZ agreeing to join, we'll be able to help more customers conduct banking through Australia Post.

Our licensees are hardworking, family run business who are the heart and soul of their communities, but we are experiencing a generational change in how customers use their local post office, compounded by the age and demographics of our licensee community. Declining foot traffic and a reduction in over-the-counter transactions are all having an impact as our economy digitises, which will only accelerate. Australia Post remains committed to working with our licensees to help build a more sustainable future for these small-business owners, but it will be challenging.

Finally, I'd like to acknowledge the Australia Post team, who worked around the clock during a record-breaking peak season to ensure that Australian families received their parcels. I would like to thank our extended workforce of 64,000 team members for making this possible.

We're also very mindful that 2025 is a federal election year, and I can assure the committee that we are primed and ready to help with the democratic process when the election is called.

**Senator CADELL:** Already got the bookings in!

**Mr Graham:** We have been working closely with the AEC to ensure our team is ready to manage the increased demand during the campaign. Thank you, senators, and I'm happy to take your questions.

**CHAIR:** Yes, you're very popular at this particular round of estimates.

**Mr Graham:** I hope that remains, Chair. Let's hope that remains.

**CHAIR:** Thank you for that update. That's very helpful. We will go to Senator Cadell.

**Senator CADELL:** I have lots of questions on behalf of others. The first one is in regard to Northern Territory postcode 0822. I think you're aware that the Chief Minister up there wrote that a lot of residential suburban areas of Palmerston are caught up in that very rural postcode, as is the rest of the Northern Territory, and are paying higher freight and package rates. Is there any potential to review that area—because it wouldn't be a big adjustment; it would just be getting out of Palmerston a bit more?

**Mr Graham:** We get numerous requests around postcodes, as you may imagine, for insurance purposes and a raft of different issues. We look at each one on a case-by-case basis. We are looking at the Palmerston one. As you said, as areas change and we see new housing developments, or there's a demographic or population shift, we take that into consideration. So it's still under review, but at this point we haven't made any decision on that.

**Senator CADELL:** Right. That's interesting. You said you often get requests. How many requests are we looking at?

**Mr Graham:** I'd have to take that on notice. We frequently get requests primarily around insurance purposes, because postcodes can influence—

**Senator CADELL:** Really?

**Mr Graham:** people's insurance premiums. If you are in Balcombe Heights versus Baulkham Hills, it may be the same postcode, but people will ask that it be the postcode for the next suburb because it's got a lower premium—or the good folk of Norfolk Island, who don't want a New South Wales postcode.

**Senator CADELL:** Anecdotally—I won't hold you to this—what percentage are for reasons other than postage reasons like this one?

**Mr Graham:** We very rarely make any adjustments, because the impact, operationally, can be quite significant, such as changing postal rounds—or informing online merchants that a suburb has now got a different postcode, because they've got the original postcode set up in their systems. So we reluctantly do it. I can't recall actually having done any in my time in this role, but, again, I'm happy to take that on notice.

**Senator CADELL:** So we review a lot, but we don't approve a lot.

**Mr Graham:** Correct.

**Senator CADELL:** Okay. I'm putting my vote in: help the people of Palmerston. I'll say that and I'll move on. It's interesting that you say: 'We review a lot, but we don't do a lot.' I've asked about post office closures, and you raised some there. We have a question on notice, SQ24-001490—if you want to look it up—which is about post office closures and which ones were planned and which ones had occurred. The interesting thing is that Auburn is specifically listed. I saw a social media post by Mr Jason Clare, stating that he had won a lobbying thing with you to overturn it to keep Auburn open. Have any others remained open off that list?

**Mr Graham:** We have not overturned any decisions that we have made around closures. We did not make a decision to close Auburn. It was forced upon us by the redevelopment of that post office area. It is a very busy area, and that post office has a lot of foot traffic. We also have a larger proportion of over-the-counter services in Auburn, through either language issues or cultural issues. So when that post office was closed due to factors outside our control we did a review, as we always do. We have found a new premises. It has a smaller footprint than the original one, but we believe that sustaining a postal service in Auburn, because of the foot traffic and the demographic profile, is important and therefore we will be opening a new postal service there. It has a smaller footprint. It's going to be smaller than the original one. But, again, I reinforce the fact that we have not had any decision that we have formally made to close overturned.

**Senator CADELL:** Okay. So, of the rest on the list, have there been any others where commercial reasons have seen them reopen elsewhere, or is Auburn the only one?

**Mr Graham:** I will have to go through the list in detail. We have closures due to eviction notices, redevelopment—a whole range of different things. Where we believe there is a need for a post office in a community, we will look to find alternative premises. In some cases they are not available, but if they are available then we will look to take a tenancy there, or we will look to find an in-conjunction post office. That may

be with an IGA or a newsagents or a pharmacy, which would be a better longer term, economically viable solution than having another licensee, who may struggle with the rent of a single-source business.

**Senator CADELL:** How long was Auburn closed for?

**Mr Graham:** I'll take that on notice. Off the top of my head, I believe it's about eight months. It has still not reopened.

**Senator CADELL:** Right. Of sites that have closed in the last two years, have any either reopened or be imminently reopened—in similar sites?

**Mr Graham:** I'll take that on notice. I would say there are a few because the vast majority of closures have related to where we have significant overlap and duplication. Likewise, we still have a licensee buyback program, which has been supported by both the licensee associations and the union. This is targeted at metropolitan areas where we have significant overlap. A large proportion of those are ones where we work with the licensee to transition them either to retirement or to something else. But we will come back specifically on your question: are there any post offices we have closed for whatever reason that have reopened again in the same community?

**Senator CADELL:** Where you've got the eviction, but you've somewhere six months later—

**Mr Graham:** Correct. I believe the number to be very small, but we'll take it on notice and come back to you.

**Senator CADELL:** To be clear, there was a ministerial direction to reopen Auburn?

**Mr Graham:** No. We reviewed that community, as we review every other community.

**Senator CADELL:** Okay.

**Senator McAllister:** But you're right: Mr Clare is a very diligent local campaigner and local member.

**Senator CADELL:** But had no part in this, apparently.

**Senator McAllister:** I think that mobilising the community is always worthwhile, Senator Cadell.

**Senator CADELL:** I'll go to a different one, then. I'll go to the people of Willow Grove, which is also on the same list. They put to me that there was no community consultation on that closure in Willow Grove, and they did motivate and do a similar campaign. On 8 January, they were told they would have access to community mailboxes, but they don't have anywhere near the same—what is a community mailbox? Is it just a PO box?

**Mr Graham:** Basically, yes. Again, Willow Grove was a decision made by the licensee, not by Australia Post.

**Senator CADELL:** Is the age demographic you're going for no longer there? If someone in the community in Willow Grove were to say, 'I'm ready to step up,' is that a new decision to be made by Australia Post? Are you happy that that's gone? What's the situation?

**Mr Graham:** We've looked at Willow Grove, and, again, we believe there are sufficient services in very close proximity. But if someone were to put their hand up and say they wanted to take on that licence, we would counsel them on the viability of that, because one of the reasons that licensee walked away is because it was not financially viable. Again, as I said in my opening statement, due to a reduction in foot traffic, we no longer provide the digitisation range of services or indeed those services being provided through other parties. The viability of our licensees continues to come under pressure, which is why the Bank@Post agreement was so important for us to get renegotiated.

**Senator CADELL:** Was that a buyback or a walk-away?

**Mr Graham:** That was a walk-away.

**Senator CADELL:** Really?

**Mr Graham:** In my view, yes. I'll double check, but I believe that was a walk-away.

**Senator CADELL:** What would be the nearest places—Moe, Trafalgar?

**Mr Graham:** I'm not familiar with that geography, but, to your other point about community consultation, we have a very strict protocol of 90 days notice for the community. However, when a licensee hands back and then announces the committee on the same day, we have very little control over that process.

**Senator CADELL:** So these 600 people on a petition should work out if one of them wants to step up, with a viable business plan, to come see you and say—

**Mr Graham:** We will talk to anybody that shows an interest; however, we will make them aware as to the factors behind the decision made by the licensee, which is primarily the fact that this may not be a viable business for them to undertake.



**Senator CADELL:** Who would they contact in your business? I'm told someone is there that wants to do it. Who would they contact?

**Mr Graham:** They would contact our head of—I can give you the name offline.

**Senator CADELL:** I would be happy to have that. That would be good.

**Senator BILYK:** I'm interested in how Australia Posts adjust their services to meet essential needs during disasters. I'm thinking about the recent floods in North Queensland, which have had such a devastating effect on the community, including—I presume—by interrupting essential services. Could you talk us through what happens there?

**Mr Graham:** Thank you. Yes, we had about 70 post offices disrupted during the major flooding in North Queensland. Obviously, we unfortunately have a well trained muscle when it comes to natural disasters, given the propensity for them. We've put, for example, 6,000 school children through our pillowcase program, which we run in conjunction with the Red Cross and was very beneficial during those North Queensland floods. That is basically a program that teaches primary school kids, in the event of a disaster, to have a pillowcase ready with what they want to take if you have to leave, obviously, with very little notice. We know that was used to great effect during those floods. We obviously put our temporary post offices on the ground where we can as soon as possible. We have post offices that basically come off the back of a truck, and we drop them on the ground. We also provided 12 months free mail redirection for those people who had lost their homes. And we also put out through social media and a leaflet campaign how people affected by the flooding could avail themselves of change-of-address services, redirection services or indeed our Bank@Post or other services that may be important to them in those tragic circumstances.

**Senator BILYK:** You mentioned Red Cross. I think that's a brilliant little project, by the way. Are there any additional initiatives underway with community partners such as the Red Cross to support flood impacted communities?

**Mr Graham:** We have an ongoing program. Lismore, obviously, is another one that comes to mind. Again, we had our post office on the ground within 36 hours of that terrible flooding. North Queensland was a little bit different because it was such a vast area, but, in places like Cairns, for example, we reopened temporarily the next day to ensure that people could at least get access to parcels and mail. We make sure we're up and going as quickly as possible. We shouldn't downplay not only the impact of people being able to access important correspondence or parcels but also the psychological impact of things getting back to normal because the postie is on the street saying, 'G'day.' It's amazing the knowledge that our frontline team have of the areas that they patrol and deliver parcels and letters to. They know those who have been greatly impacted and provide a lift-up of the spirit. So we've got our Red Cross pillowcase campaign. We obviously work very closely with Beyond Blue and making sure that, again, mental health support through both our social media channels and leaflets that are available through our vast postal network is there to help, to give people access to necessary support and show them where to find help.

**Senator BILYK:** Oh, good. Thank you.

**Senator CADELL:** I think, as we've said in private meetings, there was interesting terminology around Bank@Post that concerned me slightly. You said you would reduce your losses under the new deal for Bank@Post. Are they still not paying their fair share or their full way so that we can make a slight profit out of Bank@Post?

**Mr Graham:** Yes, it was certainly a tense negotiation, and we are very happy that we have been able to conclude agreements with the three major banks. We are also especially happy that ANZ have decided to join. They will not join until October. Indeed, we will wrap up the finite negotiations of these new deals probably by the end of this financial year. This financial year, we will still lose money on Bank@Post. But, as we enter the new financial year with the new agreements in place and ANZ come in on stream in October, again, it will be difficult to predict the full extent of the revenue, because a lot of it is based on transactional volume, and we don't know those transactions. Yes, we have forecasts, but they may be plus or minus. Certainly, the new agreements put us on far stronger financial footing with the prospect of ensuring we cover our core costs. Those costs are split into the revenue that goes for transactions and what we call our community representation fee, which is to pay for the infrastructure, access to the network, cybersecurity, training, compliance and security.

**Senator CADELL:** Okay. In my private conversations with you—once again, it's not opposition policy—I said that, when banks are saving so much money by closing branches and losing their cash-handling fees to move cash around the country, they're then able to charge people surcharges for their card transactions. It's only fair that

they pay their fair share of the replacement. They have not necessarily been tense negotiations, as you've said, but they haven't been overly forthcoming with enough money to make this a more viable operation.

**Mr Graham:** Again, we don't understand the full volume of the transactions. ANZ could have a material, positive impact on that. It's difficult to predict. We also deal with 80 other financial institutions, so it is quite a complex business to understand exactly where we will end up. As I say, this financial year, we will certainly not make money on Bank@Post, but, going forward, depending on transaction volumes, we are on much stronger footing. We also have a three-plus-two-year agreement. The other agreements were long-term agreements with no CPI in many of them. So we will be able to sit around the negotiating table in three years time, when the circumstances around the longer-term outlook for banking services in Australia may be better known.

**Senator CADELL:** You said ANZ is done for October. How about HSBC and Macquarie?

**Mr Graham:** We've had fruitful talks with Macquarie and a discussion with HSBC next week, I believe. Macquarie's early discussions have been positive, and I would remain hopeful that they, like the other major banks, recognise the community responsibility they have to ensure that the essential Bank@Post services we provide in over 3,300 branches are sustained.

**Senator CADELL:** Is there a pecking order of smaller branches or financial institutions that you will also have conversations with going forward? Do you have Bendigo?

**Mr Graham:** We do have Bendigo, yes. We have the vast majority. There may be a couple of stragglers, but we do business with, say, over 80 financial institutions. We encourage all of them to participate in Bank@Post, where they see that has value to them and, more importantly, to their customers.

**Senator CADELL:** Is Newcastle Permanent building society at Greater Bank?

**Mr Graham:** I believe they are a member. I will take that on notice and check.

**Senator CADELL:** Fair enough.

**Mr Graham:** There are far more who are than not.

**Senator CADELL:** Are you finding concerns around cash-handling vehicles and the companies that do that make your business more complicated, as well as the Prosegur and Armaguard issues?

**Mr Graham:** We've seen with the reduction in the number of bank branches, particularly places where we're the only banking service in town, that we've borne the cost of that cash availability to that community, which is one of the key issues on the table with our renegotiation.

**Senator CADELL:** Farmers love cash.

**Mr Graham:** Yes. And it's the local coffee shop, it's the hairdresser, and it's the cashflow to the local footy team with a dollar-coin bag. It's all of those very important things. We provide that service. It's public knowledge that there have been discussions ongoing with Armaguard and the funding parties for what was a 12-month funding arrangement, which Australia Post is party to. We continue to participate in those discussions, and we are hopeful that, along with the other funding parties, we will be able to reach a longer term solution, but as we see the decline in cash overall that becomes more challenging for the community. Indeed, whilst there has been digitisation of transactions, there is still an important element of the community that does use cash, and we tend to skew more towards that element of the community because of our over-the-counter services. It is the people who are more vulnerable who need assistance, and therefore cash remains an important outlet for our customers.

**Senator CADELL:** Another statement in your statement was that you don't think it will be profitable again or soon, or words to that effect. I understand that.

**Mr Graham:** The mail business, Senator.

**Senator CADELL:** The mail business, yes. I think that Christmas business keeps you going. If only Easter eggs didn't melt or break, you might have another big delivery bonus there. The cost of stamps is \$1.50 now. Is there a review of that going on?

**Mr Graham:** There is. We have made an application to the ACCC, which has been made public, to increase the price of a stamp by another 20c. As we know, we still have one of the lowest stamp prices in the OECD, and 98.5 per cent of all mail is corporate mail. Whilst 20c is an impost on the average household, we believe that, based on the number of letters that the average household sends, it will be about \$1.20 a year and that the vast majority—indeed, most—of the cost will be borne by corporate Australia.

**Senator CADELL:** What are the indicative timings on that?

**Mr Graham:** The ACCC has a process. We would be hopeful that they would conclude their process and advise us of their view before the end of this calendar year.

**Senator CADELL:** This calendar year?

**Mr Graham:** Correct.

**Senator CADELL:** That's a long time.

**Mr Graham:** Yes. It is an extensive process of review, including, at times, external parties employed by the ACCC. It is a complicated process that was put in place many, many years ago and is one that's still followed by the ACCC, under the guidance of Treasury, due to the fact that we have, obviously, a letter monopoly.

**Senator CADELL:** This question is off the books. The last few times here I've been stunned by the number of dog attacks for your staff and the steps you have to take to keep people safe. Are we seeing any decreasing trend in that, or is it getting worse?

**Mr Graham:** We are seeing it getting slightly worse, unfortunately. We have had some great support in public campaigns. I'd particularly like to call out the South Australian government, who stood up and, with the department of transport, ran a very strong public campaign both on social media and in collaboration with us and our post offices. There were posters and material in each post office. We've taken a number of actions to help address this. One is that we've deployed citronella spray, which is targeted at dogs and seems to be working. We've tried many things; this one seems to be working.

The other important action we've taken is that, for the first time, we've actually launched public prosecutions against household offenders. We've been able to have four successful prosecutions to date, I believe. The individual postie has to take the prosecution, under the Civil Liability Act, because it is they who has been injured. We obviously provide financial and legal support to do that, and any settlement we reach goes directly to the postie.

**Senator CADELL:** So you indemnify their costs, basically.

**Mr Graham:** Absolutely, and the benefit of the outcome goes to them. What we have seen since those actions have been successful is an increasing awareness from insurance companies, because, obviously, ultimately, they're the ones that pay out that public liability. Through our community team and our government relations team, we are working with them to have them, with their members, also embark on a social media campaign reinforcing the importance of dog security and showing some of the recent prosecutions we've had as an example of what could happen to them as individual households should they fail to restrain their dogs appropriately.

**Senator CADELL:** There was a strange attack, a non-dog attack that you told me about last time, but I can't recall what animal it was. It was a bit strange. Do you remember what it was?

**Mr Graham:** We have some very interesting ones, Senator.

**Senator CADELL:** How many houses are blocked from delivery because of dogs at the moment; do you know?

**Mr Graham:** There are none that I'm aware of today. What we do when we have a serious attack is ban delivery on that street for a week. We then—

**Senator CADELL:** That's if it's on the street, not in the premises; is it not?

**Mr Graham:** Correct. And we obviously engage with local council. I'm not aware of any we have at the moment. But, again, as you say, unfortunately, these are day-to-day incidents, so there could've been one in the last 48 hours that I've not been made aware of that we may have put a ban on.

**Senator CADELL:** Thank you.

**CHAIR:** Senator Darmanin.

**Senator DARMANIN:** In your opening statement, you touched on some of the changes to your delivery model as part of the government's modernisation reforms. I wondered if you could expand on that a little bit and give us an update on how it's tracking in terms of implementation overall and what improvements to the organisation you are seeing.

**Mr Graham:** We have what we call our new delivery model. We've now rolled that out to 70 per cent of all our facilities, so it's a fairly extensive number. We did say we would take between 14 and 16 months to roll it out across a very large network, but it has been received really well by our frontline team members. I have been to many of our facilities where it's been implemented, and they would not go back to the previous process that we had. They feel that they are being kept productive. They are, in many cases, delivering more small parcels than they would have been able to under the old method.

The feedback we've got from community is that no-one has noticed any change in their mail delivery because, frankly, the average household gets between one and two letters a week, and I have many people saying they

won't check their mailbox for weeks on end and will still discover nothing. What we have seen though is a bit of a positive halo effect in that people believe they are getting a superior parcel service because they see the postie carrying more small parcels. Our team members feel that they are being more productive and have a more fulfilling role. We are not getting any negative feedback from community or customers with regard to mail. We're getting a neutral to positive uplift in relation to our parcel service. We expect to complete the other 30 per cent before the start of peak this year, which will be about October.

**Senator DARMANIN:** You talked a bit about the change in terms of post and parcels. How is productivity being improved through the implementation of the new delivery rosters?

**Mr Graham:** We have seen an increase in productivity. Again, it is difficult to say until we've completely rolled out the network and settled it down, but we are able to get posties delivering every alternate day. We still deliver mail every single day. I think that has been a misnomer by some members of the public; we still deliver mail every day, but it is split between a heavy round and a light round. We are seeing a productivity uplift due to that, and obviously we're able to stream more small parcels to these posties, which is an activity that would have gone to contractors or other areas, so that's a productivity benefit as well. I think it will take us probably until this time next year to get a full assessment of the overall impact in the network, but we are on track in terms of what we believe the advantages would have been. We remain cautiously optimistic we will deliver the financial as well as the workplace benefits that we anticipated when we asked for reform from the government.

**Senator DARMANIN:** Okay. Thank you. In terms of your meeting peak demand, I think you said in your opening statement that the last season was the highest. Is that right?

**Mr Graham:** Correct. We had a record of parcels, which most of our customers are interested in. We did a record 102.8 million parcels in what we regard as the peak period. If you want a fun fact, there were literally 2,345 parcels every minute during that period. That was helped, first of all, by our team members, who made a fantastic effort to ensure that those parcels were delivered on time. We also had record service in relation to that peak period—the highest service that we have delivered and the strongest customer satisfaction that we have seen. It was also assisted by the significant investment we have made in our network of billions of dollars over the last three years.

**Senator DARMANIN:** Is that investment in the logistics side of the business to meet increased consumer demand for online shopping? Is that what you are referring to?

**Mr Graham:** Correct. We've opened a number of new facilities. We've got more facilities on the go—for example, a new large facility in Brisbane—and we're now looking at Adelaide and what we do there in terms of significant investment. We've allocated capital in both our current financial year and our forward three projections to continue to upgrade. We are in a bit of an arms race when it comes to ensuring that we provide the level of service that customers and consumers expect, and, as we are all consumers, we know that those expectations continue to increase.

**Senator DARMANIN:** Thank you.

**CHAIR:** Could I ask a quick question about the viability of the individual post offices. Around where I live, there are two. They both sit in the corner of a chemist, which is great, because they have quite extended hours and it's very convenient. Does that sort of co-location make a fundamental difference to their viability, or is it more about what the inputs are versus what the financial outputs are?

**Mr Graham:** We've got 72 post offices in chemist premises. We find that's a very positive arrangement. One, as you say, it provides extended hours, which we don't do in our corporate post offices. They're usually seven days a week, early to evening, opening hours, because it's there in conjunction with another viable business. The economics work out because they're able to share labour and obviously share rental space. In most cases, the chemist is the licensee. We find that they are positive towards the additional foot traffic that our post office generates. You're going in to do your parcel service or buy a stamp. You may go past the lolly counter or pick up something else that is on your mind when you're in the premises. We find that's a very positive relationship, and we look to increase that relationship as those opportunities present themselves.

**CHAIR:** Senator Cadell.

**Senator CADELL:** I've just been going over that FOI more. It seems 35 members of parliament over this government have written to you—including the good minister sitting to your left—about reversal of a post office in the financial year 2023-24. None have been successful. No members of parliament have convinced you to change your decision on a post office closure?

**Mr Graham:** No decisions have been made that related to the influence of any member of parliament. Any decision that we have made to sustain a post office in that area is purely based on the process that we operate under.

**Senator CADELL:** So I should tell Mary Aldred, our candidate down in Monash, that she has little chance of turning your decision on Wattle Grove?

**Mr Graham:** Based on past form, yes; that would be the case.

**Senator CADELL:** Thank you very much!

**CHAIR:** Thank you for that little bit of clarity there. Thank you so much for coming along. It's always great to hear about the progress you're making.

#### **Proceedings suspended from 17:42 to 18:45**

##### **NBN Co Limited**

**CHAIR:** Good evening. I would like to welcome officers from NBN Co Limited and particularly welcome Ms Ellie Sweeney, the new chief executive officer. This is your first appearance as chief executive officer, so welcome. Would you like to make an opening statement?

**Ms Sweeney:** It is great to be in Canberra for what is my first appearance before the committee, so thank you. Before I start, I'd like to thank Phillip Knox for his leadership as the interim CEO for NBN, and I'd also like to acknowledge our former board chair, Kate McKenzie, and director Elisha Parker for their contributions. Kevin Russell is the acting interim chair.

If I may, I'd like to open with our financial position for the first half of FY 25—the six months to 31 December 2024. I'm pleased to report that NBN is on track to meet all of our key financial targets for the fiscal year as outlined in our 2025 statement of corporate intent. During the half, we achieved total revenue of \$2.9 billion, and that was up four per cent. Our earnings before interest, tax, depreciation and amortization were \$2.1 billion, and that was up seven per cent. We saw solid growth in business revenue which rose to \$599 million. That's five per cent up on H1 of 2024. Our operating expenses decreased by two per cent, compared to the prior corresponding period, and that was down to \$821 million. The reduction is reflective of our efficiency and our cost-optimisation initiatives, which help mitigate continuing inflationary pressures. We continue to push fibre deeper into communities and to improve our fixed wireless and hybrid fibre coaxial networks. Capital expenditure in the half of \$1.9 billion was up two per cent on H1 of FY 24 as we invested in network digital infrastructure and capacity.

Our national broadband network now connects 8.62 million residential and business premises, adding more than 36,000 connections in the 12 months to 31 December 2024. This equates to over 20 million Australians accessing the network every day and NBN carrying more than 80 per cent of Australia's data traffic. Our results reflect discipline in our capital management plan and our ongoing focus on our customers, simplification and innovation to become a sustainable business.

Since completing the initial build in 2020, we have been upgrading virtually every part of our network. It is core to our strategy to provide improved network reliability, greater capacity and faster speeds to more premises around Australia while ensuring that all Australians can reap the economic and social benefits of fast broadband today and into the future. To that end, 82 per cent of homes and businesses, or 9.4 million premises across the country, are now close to a gigabit capable. We're on track to complete upgrades to the local fibre network that will enable 3.5 million homes and businesses that are served by fibre to the node, along with 1.5 million served by fibre to the kerb, to upgrade to fibre to the premises by the end of December 2025. This will take the percentage of homes and businesses that are near gigabit capable to more than 90 per cent.

In the 2½ years since we launched our Fibre Connect program, a total of 628,000 premises have upgraded to full fibre connections, gaining access to the most reliable, resilient and future-ready technology, coupled with the fastest available NBN residential and business speed tiers. In fact, well over 50 per cent of all new service orders in December for wholesale plans were 100-megabit download speeds and above.

On our network, built to carry large volumes of data, we are seeing ongoing growth in traffic as consumers continue to adopt higher-speed plans and use the network in new ways, like health care and business, education and entertainment. In fact, just last Friday, through the busiest hours of 7 pm and 11 pm, NBN recorded the highest peak traffic in its 15-year history, nearing 33 terabits per second. The business case for the ultrafast, deep-capacity NBN has never been stronger. Economic research from Accenture commissioned by NBN estimates that faster high-capacity NBN will improve gross domestic product by around \$400 billion to the end of the decade. This GDP increase is forecast to be felt across all of the nation, with increases in average broadband speeds having 16 times the impact in remote areas and twice the impact in regional areas than in the capital cities.

At a network level we continue to prioritise reliability, capacity, security and speed. That's why the recent announcement of a joint investment of up to \$3 billion in equity from the Australian government, coupled with more than \$800 million from NBN, to provide an upgrade path for the remaining fibre-to-the-node network across Australia is critical for lifting our digital capabilities. Significant upgrades have also been completed to our HFC network, which currently services around 2.5 million premises. HFC customers can now access our highest residential and business speed tiers, alongside customers on FTTP, and they'll be the first who will stand to benefit from the boost to our higher-speed products plan for 14 September of this year. Our fixed wireless and satellite upgrade program has been completed on time and on budget, and it's now delivering fast broadband to Australians in regional and remote areas where fibre is not available.

There's been a lot of recent interest in low-Earth-orbit satellites for NBN. It's essential that NBN, as a statutory infrastructure provider, has a range of technologies to service the connectivity needs of all Australians, no matter where they live. Currently our aim is to have a LEOsat offering in place before our Sky Muster geostationary satellites reach end of service in the early 2030s. We are advanced in our procurement process for selecting a LEO service provider, and I look forward to having more to say about this very soon.

Upgrading our network is about providing capacity to meet large data demands as this continues to grow. For context, the average data download per NBN service per month was 490 gigabits in December 2024, which is more than seven times what it was the decade before. As technology innovation advances, multi-gigabit broadband speeds will become increasingly essential to support the explosion of data-hungry applications like virtual and augmented reality, AI and large-language models that are fast becoming mainstream. For business, faster broadband would drive productivity gains and innovation and provide a chance to access new markets online and talent from anywhere.

Australia needs to be future-ready, and NBN's strategy is to make sure it is. It's also why we continue to support the Australian government's School Student Broadband Initiative and the First Nations Community Wi-Fi Program and engage with the low-income and digital inclusion forum.

We operate in a competitive environment, and the growth in our customer base comes in the context of this intense competition, including from mobile broadband, fixed wireless and of course the LEOsat providers. That level of full and open competition is what makes Australia's telecommunications sector so dynamic. It's also why NBN is focused on delivering reliable, fast and robust wholesale broadband services to meet the current and future needs of our customers, and why we worked collaboratively with our retailers and regulators on initiatives like new and improved speed tiers and service standards as part of our replacement module application under the Special Access Undertaking.

Let me close by saying what a privilege it is to be leading NBN at a time when Australians are increasingly dependent on broadband connectivity in almost every aspect of their lives. NBN is not just building and maintaining infrastructure for today; it is making a fundamental contribution to the social and economic fabric of our nation. Thank you, Chair. We are now happy to take the committee's questions.

**CHAIR:** Fantastic! Thank you. This morning we had quite a lot of conversation about the low-Earth-orbit satellite, by nature of the announcement made by the minister this morning, to open up D2D access in areas where there isn't coverage. How do LEOsats compare to fibre, in terms of customer experience and capacity?

**Ms Sweeney:** It's a great question. I'm going to throw to my colleague here, our chief network engineer. Dion's in a fantastic position to give you some colour around the difference we're seeing with low-Earth-orbit satellite versus the full-fibre network. I think it's important for me to say upfront that we definitely understand there is a place for LEO, particularly in a country like Australia, which has such wide country areas and, obviously, a lot of low-density, rural and isolated environments. I think Dion can give you a very informative answer.

**Mr Ljubanovic:** Low-Earth-orbit satellites do have a part to play in servicing low-density parts of Australia. However, when it comes to serving the medium- or high-density populated areas the ultimate choice on how we make sure we service future needs is fibre. LEOs are not designed to operate in medium- and high-density populated areas. It is a great advance in satellite technology, but there are a number of challenges when you think about how LEOs can actually work for those medium- and high-density areas.

A couple of those challenges include the fact that LEOs need to share broadband capacity across geographical areas that they serve. Each satellite itself covers around 300 square kilometres, so, when you take the perspective of what that looks like in a metro area, we're talking around 30 metropolitan suburbs together, and that whole coverage needs to be shared across all of those areas. Depending on your neighbour down the street or further

away in the local community or a suburb over, if you use it in that location your service feed and service performance could potentially degrade, depending on what those neighbours in your local community are doing.

Any wireless service, whether it's a mobile service or a LEOsat, uses what we call wireless spectrum, and wireless spectrum has limitations. There's only so much of that spectrum available, and, however users may use it, it has to be shared overall. Mobile networks and LEOsats have that in common.

Compare that with a fibre network, which I like to talk about as having a dedicated digital superhighway into your home or business. No matter what your neighbour is doing, no matter what is occurring a suburb over, you have a dedicated connection pathway that operates consistently through all hours of the day.

This is also not theory in terms of how this comes about. More broadly, we've seen this in customers' lived experience, what customers are seeing. The ACCC's independent Measuring Broadband Australia report, which was released just a couple of months ago, highlights that consumers on a LEOsat service are seeing speeds that degrade by up to 31 per cent through the busy hours—anywhere from 7 pm to 11 pm. That's because most of the users in that coverage area are using the service at that point, with that shared spectrum, and they're sharing the coverage and capacity.

When we compared the measured broadband performance on NBN's high-speed tiers, which are five times faster—and soon, later this year, will be up to 10 times faster—than what you can get on a LEO satellite, there was a degradation of less than two per cent in the same busy hours on our fibre and HFC networks. So fibre does provide that very reliable, consistent, resilient high performance through any part of the day in medium- and high-density populated areas.

One other aspect I'd highlight is that the upgradability of fibre is a technology that outpaces any other technology, period. Last year, we proved this by a world-first trial with Nokia, who we partnered with, where we installed advanced fibre optical lasers into our live residential fibre network, and we showcased that we will be able to achieve 83 gigabytes per second in the future off the fibre that we're installing today. The only thing that we need to do in future decades is to change those electronic boxes at either end—the exchange down the street and inside customers' homes. The point is the cost to upgrade in future decades is much cheaper compared to the life cycle of global satellites and what that could look like, too. So we do see LEOs as an important advance in low-density populated areas. When we think about medium-density and high-density areas, fibre is the choice for the future.

**CHAIR:** Excellent. But for those low-density areas with limited access, obviously the LEOs are going to make a difference.

**Mr Ljubanovic:** It's a great advance for exactly that reason. Our geo satellites cover all parts of Australia. What the LEOs are really doing is reducing the coverage area for those low-density areas to provide more capacity into the future. So we do see that as a great advance and something we'll be looking to leverage in the future, as we've communicated in the past.

**CHAIR:** As your satellite network reaches a point in its design life where it needs something else—

**Ms Sweeney:** Chair, that's exactly right. We've probably spoken about this previously, but the satellites were commissioned in 2015 and 2016. At the time, they were obviously very state-of-the-art, and they come up for end of life at the end of 2032 or to actually have to be restarted from a generation perspective.

I might throw to Gavin to give any other updates, but, again, we see the logical next step for us to move customers on GEOsat to LEO.

**Mr Williams:** I have testified before in this committee about the fact that we have been in a careful process to explore opportunities and options around our satellite service, taking into consideration that the current satellites are estimated to run out of fuel—the first one about October 2032 and the next one early in 2033. So the exam question was really to explore what options were available in particular in relation to low-Earth-orbit satellites, effectively testing whether there is a buy-versus-build opportunity for that satellite.

As Ms Sweeney said in her opening statement, that process is well progressed. We, in fact, aim to have a LEO based service available before the expiry of the current generation. That, of course, takes account of some quite significant considerations. We are the statutory infrastructure provider. There are considerations around definition of what a service looks like. Security, technical, commercial and operational considerations are part of that process. And, of course, that is a backdrop to some significant improvements that we've been able to make in our Sky Muster service as a consequence of a material upgrade to our fixed wireless service.

Building on Mr Ljubanovic's testimony around fibre, I did want an opportunity to talk about our fixed wireless upgrade and our satellite upgrade. We're doing more than ever for regional Australia. We've recently announced

the completion of our fixed wireless upgrade. That includes pushing the boundaries from around 220,000 square kilometres to 345,000 square kilometres. To put that in perspective, that's like adding the surface area of the island of Ireland to our network. It's quite a substantial area. That has enabled us to reimagine the capacity management on our existing satellites. Ahead of any strategic considerations that we're talking about in low Earth orbit, we've been able to lift the speeds and offer uncapped data to our Sky Muster satellite customers and lift the speeds and capabilities of our fixed wireless service with our super-fast plan now available to a good proportion of our coverage area, with speeds up to 400 megabytes per second and beyond. These are speeds that are not currently available on low-Earth-orbit satellites.

We have a terrestrial capability in the NBN network in our fixed wireless service now. Frankly, it's a world class kind of capability. I think it's important that consumers are aware that these kinds of capabilities exist. You don't have to go out and spent 550 bucks on a terminal and you don't have to pay for a professional install, NBN can take care of that. There are some very cost-effective plans available, whether that's on Sky Muster service or fixed wireless service.

**CHAIR:** Thank you very much. Senator Hanson-Young.

**Senator HANSON-YOUNG:** I don't have many questions for you, but I do have some questions about the budget for advertising for NBN. I noticed that, over the summer, NBN was advertising at the cricket.

**Ms Sweeney:** That's correct.

**Senator HANSON-YOUNG:** What was the purpose of the advertising?

**Ms Sweeney:** I am going to throw to my colleague, Ms Perrin. Anna heads up our product sales and marketing teams so let me defer to her, to give you an update.

**Ms Perrin:** I'd be happy to. As a wholesaler, it's often not obvious why NBN needs to advertise and why we need to market to consumers and businesses, but we do work in a dynamic and ever-changing market. We have made significant upgrades to our networks over the last few years. We know that one of the No. 1 issues that we face is that consumers and businesses don't know what's available to them. They don't know either that the NBN is there or what speeds are available to them.

The cricket was, honestly, a really good way to get the message out to the millions of cricket-loving Australians that watched that game. We know that 13.8 million Australians watched the cricket. It definitely is the case that the people that saw that are two times more likely to go and check what plan and speed they are on. It's about education.

**Senator HANSON-YOUNG:** Individual households, internet users and the account holders of their internet plans are not buying a product from NBN, they're buying it through a retailer. NBN is a government company and a public company. I just wonder whether the money could be spent on delivering better services to the customers than on promoting the NBN brand at the cricket.

**Ms Perrin:** One of the challenges is that we work with 120 retailers that offer NBN services, but not all of those retailers offer all of our products or services. We know, even from a recent Artech report, that ubiquitous broadband is now available everywhere, but the No. 1 issue facing consumers is they don't know that the National Broadband Network is available. It's not always the case that if you go to your retailer and ask them for an NBN service, they will be able to provide that to you. It is a confusing environment, for sure, but that's why we take our role in education quite seriously. In fact, retailers are asking us to do more of that, particularly as technology gets more and more confusing.

**Senator HANSON-YOUNG:** So retailers want the public to pay for their advertising?

**Ms Perrin:** Retailers are asking us to help educate consumers and businesses about what they need to do. I'll give you a really simple example. There was recently a customer who had had ongoing issues. NBN had spoken to this customer and so had the retailer. There had been a tonne of discussion with this customer and then we sent a technician out to her home, because none of our tests showed that there was any issue in her home. When we went out there, it was simply because she had bought a fish tank and had put it in front of her modem. By moving the modem, she got the service that she was paying for and that she needed. It's that kind of education. When you go to our website, there is a tonne of information about what speed plans are available, how you need to set your home up and which retailers sell which plans.

**Senator HANSON-YOUNG:** How much is NBN Co's advertising or PR budget?

**Ms Perrin:** The majority of our money actually goes into making sure that we are marketing to people to tell them that an upgrade is available in their home. We also have specific programs—if you move into a new home,



we will send you some material to tell you that NBN is available. We also do things like the Bush Summit. We work in regional Australia to raise awareness—

**Senator HANSON-YOUNG:** Chair, sorry, I'm—

**Ms Perrin:** I understand. I might need to take the question on notice specifically around the advertising budget, Senator Hanson-Young.

**Senator HANSON-YOUNG:** I'd like the budget. It would be good to have a breakdown of the major spend of the budget. I picked the cricket because I saw it. I assume you don't just advertise at the cricket; you advertise in other places.

**Ms Perrin:** The cricket is the only external advertising we've done. We would be happy to provide that to you.

**Senator HANSON-YOUNG:** That's a big contract for you, then, in terms of—

**Ms Perrin:** We know that 13.8 million Australians watched the cricket and watch the men's and women's tests over the summer. It was a good way to get the message out there.

**Senator HANSON-YOUNG:** The advertising at the cricket wasn't telling people that they could upgrade or how to move the fish tank from in front of their modem. It was just advertising the NBN logo and brand, wasn't it?

**Ms Perrin:** What we're finding, though, is that we're getting a lot more traction in terms of people remembering to check their speed plan or to come and get more information from us or from our retailers. Our retailers are following up that particular campaign with various direct approaches themselves.

**Ms Sweeney:** It's probably fair to say it's an interesting dynamic that we work in. You have the NBN network, obviously; we have the retailer network; and, increasingly, we have people's in-home networks. It's really incumbent on us, particularly as we launch speed tiers, to make sure that, as we provide that upgraded speed tier capability, it's going to be a good experience.

Again, I think it was the first time we've advertised externally. Obviously we'll PIR in terms of the benefit of that, and we will come back with the data around the budgets. A lot of work is done from a social media perspective as well—quite guerilla campaigns from a digital perspective, from our customer bases. Also in-home experiences as more and more people buy smart TVs, really making sure that they're set up for the best experience to really leverage the investments that we've made.

**Senator HANSON-YOUNG:** Did you have any conversations with the minister about the advertising plan before you did it?

**Ms Sweeney:** I think it predates me. I'm going to have to take that one on notice.

**Senator HANSON-YOUNG:** Nobody else has the answer as to whether you discussed it with the minister or the minister's office?

**Ms Perrin:** Not that I recall. I'm happy to take that and double-check.

**Senator HANSON-YOUNG:** I am asking given it's a government product with public spending and we're in the middle of an election year. There's an obvious question as to the role of government in this. Those questions would be helpful to get back quickly. Ms Sweeney, you're saying you'll do an analysis of this, so we can expect to have that perhaps at the next estimates?

**Ms Sweeney:** I think it's fair to say that it's the first time NBN has done it, and of course we would be doing some analysis on the benefit and the return around that advertising spend.

**Senator HANSON-YOUNG:** Obviously I've asked for the budget. It would be good to have a dollar figure, but I'd also like it as a percentage of administration and management costs. I'm wondering what fits under that. Obviously you're saying the cricket was the first time you did it, but there must be other PR spends. As you were saying, there is social media and there are other things.

**Ms Sweeney:** The majority of the money that we spent goes into things like sending the premise a notification to say fibre is now available at their home. That's the majority of our spend, but we can give you the breakdown.

**Senator HANSON-YOUNG:** Have you discussed with the retailers what they should be chipping in for this type of education, seeing as they're the ones making the money off of it? People sign up for the internet and they pay their bill to the retailer; they're the ones who are banking the profit.

**Ms Perrin:** We have great relationships with the retailers that we work with, and many of them do a lot of work themselves. They spend a lot of money on marketing themselves. We also have what we call a marketing development fund, where we will contribute a dollar and they will contribute a dollar, and we will do that together.

**CHAIR:** Senator Cadell.

**Senator CADELL:** I'd like to stay on the same point. I thought the answers here were amazing. You're saying that cricket is the only external thing you've got and you don't know how much it costs?

**Ms Perrin:** Sorry, we were talking about the overall spend.

**Senator CADELL:** But you said cricket was the only—how much did the cricket sponsorship cost?

**Ms Perrin:** We have an arrangement—

**Senator CADELL:** You've got the chief financial officer there, if you can—

**Ms Perrin:** We have an arrangement with Cricket Australia where they have asked us to notify them if we're going to specifically disclose that number—

**Senator HANSON-YOUNG:** Well, you're at Senate estimates.

**Ms Perrin:** I understand—

**Senator HANSON-YOUNG:** I didn't realise. Thank you, Senator Cadell, because I thought it was that they didn't have the figure, but you're actually saying—

**Ms Perrin:** For the whole spend, yes.

**Senator HANSON-YOUNG:** For the whole spend, sure, take that on notice. But, if you've got the figure for what you spent on the advertising for the cricket, I would like that tonight. This is Senate estimates, and I'm sorry, but Cricket Australia doesn't dictate what gets handed up here.

**Ms Perrin:** If we can take it on notice, I will get it back to you as quickly as possible. It's part of the arrangement, because Cricket Australia obviously has lots of—

**Senator HANSON-YOUNG:** But you're a public entity.

**CHAIR:** Senator Hanson-Young, they do have a right to take it on notice.

**Senator CADELL:** I'm sorry, Chair. They don't have the right to take it on notice if they have the answer. They have the right to ask for public interest immunity, but they do not have the right to take it on notice.

**CHAIR:** They do have the right to take it on notice to consider the sensitivities, not to refuse to provide it.

**Senator CADELL:** Commercial in confidence is not a sensitivity on this that's allowed.

**CHAIR:** Not for a PII, but they are, indeed, entitled to go away and consider it.

**Senator CADELL:** So NBN Co is covering up how much it paid because they don't want to put it here tonight. Is that what I'm taking up?

**Senator McAllister:** Senator Cadell, I think it is a longstanding practice in these forums to allow officials to take a question on notice so that they may consider sensitivities. It's not reasonable to draw the inference that you have just drawn from that decision, which is clearly available to the officials under the standing orders.

**Senator CADELL:** The chair has said that commercial sensitivity is not a public interest immunity claim—

**CHAIR:** Not in and of itself.

**Senator CADELL:** That is the only claim that was raised by Ms Perrin—by itself. She has the information. In writing, can we have—

**CHAIR:** Senator Cadell, just to be really clear, my point was that that in and of itself is not a PII—

**Senator CADELL:** I agree.

**CHAIR:** However, they are well within their rights to take it on notice to provide the answer from a sensitivity perspective—and any other considerations they may need to consider for whatever contracting they have in place. They're not refusing to answer it; they're just going to take it on notice and come back to us. If they come back without the answer then, of course, that becomes a whole different ball game. But I don't believe that's what you're saying to us at this point in time, Ms Perrin.

**Ms Perrin:** No. We just want to notify Cricket Australia under the terms of the contract we have with them. It's about Cricket Australia, not about NBN Co providing the answer.

**Senator HANSON-YOUNG:** This is part of my problem with the way this is all being run, because NBN Co is a public entity. You are taxpayer funded and you are to be used for the purposes of the public. I don't really care whether Cricket Australia is watching—if they're not watching, you could send them a text and tell them they're going to have to cough up the information. But it's not up to them to dictate what information the public has a right to know.

**CHAIR:** As the chair, I am going to say that they have the right to take it on notice and to come back with as much information as they can provide to us, and, if there is any reason they're not prepared to provide it to us, they can put that in writing and we can deal with that then. But just to be really clear: that commercially-sensitive scenario in and of itself is unlikely to get you a free pass on not providing information.

**Senator McAllister:** We'll take it on notice—

**Ms Sweeney:** Chair, we're totally fine. We will take that on notice. I think the two points have been very clearly made regarding the marketing spend and also Cricket Australia.

**Senator CADELL:** Further to that point, was hospitality part of the—

**Ms Perrin:** Absolutely not.

**Senator CADELL:** There was no hospitality at all?

**Ms Perrin:** No.

**Senator CADELL:** There were also ads on 2GB—am I wrong?—just for the NBN brand.

**Ms Perrin:** I'm sorry; I'm not sure. That's not something I recall. It could have been part of the Bush Summit work that we did earlier this year.

**Senator CADELL:** In the ACCC *Special Access Undertaking annual expenditure report* that was published on 19 December, it lists a number of \$65 million as being on 'marketing and product costs' for the previous year. Would that sound about right to you?

**Ms Perrin:** I'd need to go and check. I'm happy to take that—

**Senator CADELL:** Do you have that, Mr Knox?

**Mr Knox:** I'd need to check that.

**Senator CADELL:** You don't have that financial figure for 2024 in front of you, as Chief Financial Officer?

**Mr Knox:** No, I don't know that specific number. I'd have to look that up.

**Senator CADELL:** Can you look up what it was?

**Mr Knox:** So the—

**Senator CADELL:** How do we come to budget estimates without the answers to basic questions such as expenditure? It is probably the No. 1 thing we're going to be asking about here today, and we don't have basic answers for this. We've got a cash burn. What was the cash burn? I think you said \$781 million.

**Mr Knox:** What period are you talking about, Senator?

**Senator CADELL:** What was the cash burn for the last financial year?

**Ms Sweeney:** I think if we go to the last half—or the last financial year?

**Senator CADELL:** What's the cash burn for the last half?

**Ms Sweeney:** If we go through a couple of things—

**Senator CADELL:** Just that.

**Ms Sweeney:** We can look at the cash position for the organisation—and I'm on page 18 of the document. Phillip can come in here, but the operating cash flow was \$1.977 billion, and that was up seven per cent. I will get to the number. There was then the capital expenditure. There was some injection from the federal government, of \$528 million. There were lease payments of \$610 million. There was interest on borrowings, at \$520 million. So the free cash-flow position was a negative—to your point—of \$507 million, and that was a delta from the previous half of \$514 million. So, again, it was a slight improvement of one per cent. So the operating cash flow of the business was up seven per cent, of \$133 million, and it was negative \$507 million.

**Senator CADELL:** So we burnt half a billion dollars of taxpayers' money in six months—that's after including another half a billion dollars from the government, so, probably more a billion without that injection. We've spent a billion dollars of taxpayers' money. And we're not keeping flow of expenditure like marketing?

**Ms Sweeney:** I—

**Senator CADELL:** And, to Senator Hanson-Young's point, it was just brand marketing. There was no call to action on 'check your plan'. There was no Sky Muster that's getting killed by Starlink linked to it. It was pure brand. And we talk about 121 customers. Wouldn't 80 per cent of your business be, basically, three or four customers?

**Senator HANSON-YOUNG:** Yes.

**Ms Sweeney:** I'll say a couple of things to address your points there. In terms of the actual capital expenditure for our business—again, Phillip, I don't know if you want to jump in here—the capital expenditure is clearly articulated. So again, the 'burn', in your parlance, has been around the fibre upgrade program, which, again, was \$845 million; the fixed wireless upgrade, which, again, was \$376 million; network upgrades and capacity—because I think, Senator, as you are well aware, not only do we operate and maintain but also obviously we do upgrade the networks and spend money, particularly on keeping this critical infrastructure asset in the right state that it should be; connect and assure—upgrading customers from a connection and also assurance; and then \$169 million was spent on IT and also on security.

**Senator CADELL:** I get that, but we come in here and the testimony of Mr Knox was, 'I'd have to look that up,' so we don't have these financial figures there. As to the shareholder minister, did the minister have to sign off on the cricket sponsorship, or was that done at CEO level?

**Ms Perrin:** It was done at the CEO level.

**Senator CADELL:** I will move on, but I've got real concerns about what that was and how it was. It looks to me like it wasn't all it was meant to be.

You were talking about LEO satellites. You were talking about providers. Given that you do not want to be the owner-operator and we were talking about sovereign risk of that, are you talking about launching and owning, or are you talking about third-party contracting to be the sole operator of other satellites?

**Ms Sweeney:** I'll throw to Gavin in a second, but LEOs, as you probably are aware, are global satellites, so it would be very unusual for a sovereign country to be able to launch a LEO satellite. In terms of the RFP, again we were and have been working with the global LEO providers. So—

**Senator CADELL:** I was just looking at the map. There are about 160 over Australia at the moment, and we're watching their tracks as they go around. My concern is if Australia isn't going to own its own SATS because of those things. This morning there was an announcement that were going to have the universal service guarantee. There is only one operator at the moment that can have a fully operating network by 2027, isn't there, LEOsat?

**Ms Sweeney:** We have a different view on that.

**Senator McAllister:** I don't think that was the evidence that was provided to you this morning.

**Senator CADELL:** They couldn't offer one. Minister, I asked for the name of one contractor, other than Starlink, that will have a fully serviced network by 2027, and that couldn't be given to me, so could I get that now. Who do we think will have full coverage of Australia in LEOsats, other than Starlink by 2027?

**Ms Sweeney:** I'm not sure that I can answer that directly. We're looking, as you know, to be able to have a LEO satellite ready to go, to replace our GEO satellites, so our timeframes are probably slightly different.

**Senator CADELL:** That's right, 2032. I understand that transition; that's fine. My concern is that we're talking about Amazon and other providers, but none of them seem to be able to have the coverage that Starlink currently has by 2027. They may have it by 2032. I have no qualms about that launch—

**CHAIR:** We're going to rotate the call, if you will wrap up.

**Senator CADELL:** I have many more to go. I'll pass now and come back.

**Senator DARMANIN:** I want to talk a bit about small business. I don't think you covered this in your opening statement, but, obviously, in rural and regional Australia, small businesses in particular really need reliable broadband access. Can you talk about how rural and regional Australia will benefit from the completion of the fibre upgrade program with a specific focus on small business, please.

**Ms Sweeney:** Fantastic. I think the thing we did mention was the five per cent growth in business in our results to \$599 million. I might ask my colleagues to represent this in two ways, one for us to give an update, particularly in terms of the remaining 622,000 fibre-to-the-node upgrades that we are doing. I might get Dion to talk to that in a bit more detail about the percentage that we will see in regional and remote Australia, particularly around some of the benefits that we expect to be able to see by going to a full-fibre or a fibre-upgrade path for those customers. Then, Anna, you might like to add in some of the plans and the work we're also doing with business.

**Mr Ljubanovic:** I'll start with the first 3.5 million rollout that we have been doing since 2021. We are well ahead of where we expected to be; 2.8 million of the 3.5 million are now ready for order to retailers and customers across Australia. We are on track to complete that by the end of this calendar year, both in time and within budget. That does mean, as Ms Sweeney mentioned earlier, that 9.4 million premises have capacity and capability to order up to gigabit services, which is 82 per cent of the fixed-line network. By December, we'll see 90 per cent of the fixed-line network able to be gigabit capable. We're also seeing continued strong take-up

through this rollout. We're seeing weekly run rates consistent with the half-year results that we released of around 8,500 orders, which cover homes, small businesses and businesses in general across Australia every single week, which is also ahead of where we expect it to be.

What we're seeing, as customers move over from copper to the fibre network, is a reduction in customer faults, in customer truck rolls for faults and resolving copper issues that are within the network. I think that's a great outcome in terms of where we projected the network to be. Because we have focused on homes and businesses that have underperforming lines, copper lines at the moment, we are also seeing a very strong take-up. I might get Ms Perrin to mention what they're seeing on that front.

With regard to the recent announcement regarding the 622,000 final premises in the FTTN network, around 54 per cent are in regional Australia, with around 46 per cent in metropolitan suburbs still. We're progressing that at pace. We're operationalising that program as we speak, and we've been doing that since the announcement. We've conducted a number of town hall sessions with contractors in multiple states so that they're aware of what is coming. We've also been meeting key stakeholders across Australia, particularly in the ACT, and state government agencies to support some of the rollout that we have here in the ACT.

We've already initiated design activities for that rollout to begin getting fibre and construction activities underway by June of this year and expect the first cohort of that 622 to be released to retailers to market by the end of this calendar year. We will be progressively doing that construction over the next couple of years, from 2026 onwards, and releasing that as we go. That will complement the entire FTTN network and provide every home and business in that area opportunity to move to a fibre service. It may be worthwhile to touch on the underperforming lines, Ms Perrin.

**Ms Perrin:** Yes. To make a comment on small business, we know that 97 per cent of all Australian businesses are small businesses of 20 people or less. We also know that their needs are specific and changing. We've got two real strategies. One is around making business fibre plans more available, so, as we've rolled out fibre more across the country, we've been able to offer that to more businesses. The other piece is making those plans more affordable. We know that small-business connectivity has been fuelled by growth in cloud services, AI applications, people working remotely more and people working from anywhere they want in the country more. There's a 35 per cent drift from the city to the regions, and we know that that's going to continue. In terms of making it more affordable, our business fibre plans have already reduced in price by 35 per cent from July 2023 to July 2024, and we're planning another 21 per cent reduction in price towards the end of this year because we know how important it is for businesses to be able to access those sorts of services. That's really our strategy.

**Senator DARMANIN:** That's a 56 per cent reduction in—

**Ms Perrin:** Yes.

**Senator DARMANIN:** small-business plans by the end of this year.

**Ms Perrin:** That's right, and we've seen over the course of this year a doubling in the number of small businesses that have taken up those plans. It's still relatively early days—22,000 small businesses have taken up those plans at this stage—but it's a doubling since this time last year.

**Senator DARMANIN:** Do you expect that to increase with the additional decrease—

**Ms Perrin:** Yes, and there's more—

**Senator DARMANIN:** and do you have a plan about where you want to get to with that?

**Ms Perrin:** Yes, and as more retailers are in market selling those plans, as well, to businesses—yes.

**Senator DARMANIN:** Thank you.

**Ms Sweeney:** It's also, obviously, that as more of our footprint goes from copper to fibre it provides a greater opportunity for small business to not only attract those plans but also move up speed tiers. It's particularly interesting if you do have more people on your network. With the number of connected devices and the downloads, for example, it becomes really important for those customers to be on a full-fibre network as well.

**Ms Perrin:** Apologies. To correct the percentage, it's not 56 per cent; it's 49 as it compounds. The two don't add together.

**Senator DARMANIN:** I see. Okay. It's still 49 per cent.

**Ms Perrin:** Yes, it's still 49 per cent.

**Senator DARMANIN:** Okay. Thank you.

**CHAIR:** Senator Hanson-Young.

**Senator HANSON-YOUNG:** No, I'm waiting for my answers, so that's fine.

**CHAIR:** Okey-dokey. Senator Davey.

**Senator DAVEY:** Welcome, Ms Sweeney.

**Ms Sweeney:** Thank you.

**Senator DAVEY:** Thank you for your very comprehensive opening statement. I was starting to think you'd forgotten about the Sky Muster customers, but you got there.

**Ms Sweeney:** I did. Thank you for bearing with me.

**Senator DAVEY:** Mr Williams knows my passion for Sky Muster. Notwithstanding, I note, the end-of-life expectancy of your current GEOsat network, I see in your most recent *Network premises report* released on the 20th of this month that total Sky Muster connections continue to decline. In fact, they're now down to around 81,142 from a previous 2022 report of 108,445. Is that correct?

**Ms Sweeney:** The 81,142 is definitely correct.

**Senator DAVEY:** What do you credit that decline to? I know what I hear anecdotally, but have you got any statistics or data? Do you do exit interviews to find out why people are disconnecting?

**Ms Sweeney:** I will say a couple of things on that before I throw to Mr Williams. It's fair to say, obviously, that we only see the premise; the end user is actually sitting with the ISP. Again, I might throw to Mr Williams just to give some flavour around that decline, but clearly it has been declining over the last couple of years. You're correct: the number is 81,142 at the moment.

**Mr Williams:** There's a narrative around bush broadband that there's never been a better time for bush broadband. There's never been a better time, I'd argue, because there's choice. With choice, there are implications for existing providers, and NBN, with the Sky Muster service, is an example of that. There are several choices that have been developing in regional Australia in the Sky Muster footprint. One, in fact, is the expansion of the fixed wireless service that I spoke to just before. Part of that expansion is that that area, roughly the size of Ireland, accommodates a premises count of around 122,000. That's not active premises; that's premises within that footprint. You can see that on the premises report in the 'ready to connect' columns as well—so a shift from the satellite to fixed wireless. Of those, there are about 19,000 active satellite customers who are now eligible to purchase a fixed wireless service, and I've got to say I'm a beneficiary of that, on my farm down in south-west Victoria, where I was previously running my modest part of the NBN business using the Sky Muster service—Sky Muster Plus Premium. It never skipped a beat. I was able to migrate to a fixed wireless service which equally doesn't skip a beat, and, pretty amazingly, I get 400-odd megabits per second through a line of trees.

**Senator DAVEY:** Lucky you! And the other choices out there would include the current Sky Muster GEOsat, and then other people are moving onto the new product?

**Mr Williams:** There's an expansion of the mobile networks as well, and there is expansion of plans in those mobile networks.

**Senator DAVEY:** You haven't spoken to anyone since they turned off 3G, have you? I can promise you there are people on mobile networks who are now regretting moving to mobile networks.

**Mr Williams:** I've spoken to many, and I wish they knew about Sky Muster. Of course, we've already talked at some length this evening about low-Earth-orbit satellites. So there's a lot going on. For our part, what do we do about it, then? As I mentioned, we've expanded our fixed wireless service. We've expanded the capabilities of the Sky Muster service, lifting its speed to a level, actually, that we didn't anticipate was possible. It is offering speeds of 100 megabits per second and uncapped data. So the utilisation—

**Senator DAVEY:** On the Sky Muster?

**Mr Williams:** Sky Muster Plus Premium, Senator. Do yourself a favour.

**Senator DAVEY:** Yes, I know. That's why I'm surprised, because I'm not feeling it.

**Mr Williams:** That is uncapped data, so no more data—

**Senator DAVEY:** The uncapped data I know.

**Mr Williams:** Yes, 100 megabits per second.

**Senator DAVEY:** On the 100 megabits a second, I'm curious.

**Mr Williams:** So now the Sky Muster Plus Premium customers are using, on average, around 200 gigabytes a month. A decade ago, the interim satellite service was scoped at 20 gigabytes a month maximum.

**Senator DAVEY:** And a decade ago we didn't have streaming services.

**Mr Williams:** So what are we doing? I'd love to see these numbers not decline, but the imperative for NBN is to make sure we utilise those assets to their full capability, and frankly, Senator, I'd argue we are. In fact, the utilisation of those assets is north of 80 per cent of the network capability. So that's what we're doing, and there are many happy Sky Muster customers on that network.

**Senator DAVEY:** I'm interested—just asking for a friend. You mentioned when you were talking about LEOSats earlier that one of their challenges is that they still need broadband capacity, so they're still using the spectrum. Do LEOSats use the same spectrum that GEOSats are using and that the mobile network is also using? We keep hearing from other telcos and from mobile networks that the spectrum is congested and that's why things might be slowing down at certain times of the day. I'm just wondering whether we're going to stop seeing the increased benefits just because as many people as possible are going to be trying to vie for the spectrum that's already full.

**Mr Williams:** So the spectrum is very carefully managed by the ACMA. If you say it quickly, they do sound like the same spectrum—Ka band, millimetre wave and Ku band. Various technologies use similar bands, but the frequencies within those bands and the orientation—the ability to discriminate between satellites at various inclinations—is something that's carefully managed by the ACMA to ensure that it's not the free for all that an unmanaged spectrum is. The analogy is, say, wi-fi, which can congest if you're in an apartment block because the neighbours around are using the same kind of spectrum. In the case of licensed spectrum, which we're talking about here, it is something that is carefully managed.

For example, in our fixed wireless upgrade, one of the ways that we've been able to achieve such a massive capacity increase for that network—there is four to five times the capacity as part of that upgrade—is to have massive spectrum reuse. So, in fact, you could use the same bit of spectrum multiple times from the same tower to serve different homes and businesses within that footprint. So there are some analogous techniques that operate in the satellites here as well.

**Senator DAVEY:** I will go to a similar topic, but I am moving on. You were talking about looking at solutions for post 2032 and 2033, when the GEOSats reach the end of their life, and about potentially investigating LEOSat options amongst other things. We spoke earlier today with the department and others. In the government's *2024 regional telecommunications review*, it was observed:

LEO satellite constellations are owned and operated by foreign companies, raising questions about data security and control over sovereign risks.

Are those potential risks forming part of your investigations as you look for a long-term solution?

**Mr Williams:** Absolutely. There are a range of issues around data sovereignty and surety of service. As a statutory infrastructure provider, we can't put up the sold-out sign, so we need to be able to ensure that we have, in any partnership that we might enter into, the surety that we can meet the potential demand of a statutory infrastructure provider safely, securely and with the national interest at the heart of it.

**Ms Sweeney:** It has definitely formed part of, obviously, the RFI process that we've been going through. It also goes through things like lawful intercept. There are a number of things that we really need to take into account here. Obviously, as a broadband provider and as Mr Williams has already mentioned—being the statutory provider—again, we take that and the regulations very seriously as well.

**Senator DAVEY:** Have you as yet put a recommendation to the minister, or is that still some time away, for a future option for Sky Muster?

**Mr Williams:** We keep the minister and the department apprised of our progress.

**Senator DAVEY:** But you haven't formed a final recommendation?

**Mr Williams:** We're not in a position where we've got a final proposal that is 'inkable', if that's another way of responding.

**Senator DAVEY:** Is it fair to say that, when you do or whatever, the final proposal is that the minister will have to approve?

**Mr Williams:** It would be subject to—I'm careful of my words because I'm not sure technically of the processes. But, for a procurement exercise such as this, yes.

**Senator DAVEY:** Thank you.

**CHAIR:** Senator Bilyk.

**Senator BILYK:** Earlier today I was asking Australia Post about the activities they undertake in areas where a natural disaster has occurred—I'm thinking about the recent floods in Queensland. I was wondering what sorts of initiatives NBN has to make the network more resilient to natural disasters such as the floods in Queensland.

**Ms Sweeney:** We've got, I think, an excellent engineering and operations team at NBN, and they have a lot of experience in terms of emergency management and crisis management. We were definitely impacted by the recent floods in Far North Queensland. We were impacted by the cyclone coming in off the coast of WA. It's part of the reason that we are working through and looking to build a more resilient network. Some of that is around the investments that we're making in upgrading from fibre to the node and fibre to the curb to a full fibre network. The fault rate, as Mr Ljubanovic has already mentioned, is significantly lower when you move to a full fibre network. Again, when you're on a copper network, it's potentially aging, and it has impact and degradation from water ingress as well.

There are a number of things we're doing around building resilience within the network. That includes a number of upgrades and resilient programs we're running against our fibre to the node, fibre to the curb and HFC networks, in terms of the investments that we're making. We have a large team of people working with our battery replacements. We have a number of cells on wheels so we can move them. We have 121 POIs within our network, and we have POIs that are available to go if we have one of our POIs go out. So we have a well-honed team in terms of this.

We don't take any of this lightly. We work well with the emergency services in each of the states and also at a national level. I think it's an area in which, again, when you're running the critical digital infrastructure that we are, with over 20 million people touching it a day, it's something that is taken incredibly seriously.

**Senator BILYK:** Do you have any assets to deploy to support communities in emergencies other than the ones you've suggested?

**Mr Williams:** I'll raise a few. One of the key areas is actually satellite disaster recovery solutions in emergency evacuation centres. We're learning from the black summer. The team went to the campground in Batemans Bay—I think it was the day after New Year's Day—on that fateful summer. We identified that we could support the community with a satellite service and off-grid power. At the time, it was a scramble, with people knocking on the doors of local electrical suppliers to find routers and such things. That spawned the Strengthening Telecommunications against Natural Disasters program. We've now got a thousand evac centres armed with satellite connectivity available for community members. For example, there was one in Ingham Showgrounds, which actually wasn't called upon at the time because it was tragically underwater. That's one. Other assets include flyaway kits, which are, again, portable satcom devices. There's the temporary network infrastructure that we've spoken about, which can act as—as it says on the tin—a network system that would replace another system. were it to be damaged in, say, a fire or flood.

Frankly, one of the key considerations in these kinds of emergencies is power resilience. In the case of some of our key fixed wireless locations, we've deployed what we call hybrid power cubes. These are integrated devices that include solar power, big battery banks, a diesel generator and a big fuel cell. They're situated permanently in these locations and able to power the tower if the mains power fails. We also have a large number of NBN owned diesel generators, which we seek to pre-deploy when we can foresee potential events, such as the events in Far North Queensland, and we have many more of these generators with some of our field delivery partners ready to deploy. When it's safe to do so, we would deploy those. I note that in the Grampians the tower up at Mount William suffered some significant damage and the power was out. We were able to utilise some shared power and temporary infrastructure there. If it's dry and there's a fire event down in the Grampians and rain up north—we cop it all in this country.

**Senator BILYK:** It's a vast country.

**Mr Williams:** Indeed.

**Senator BILYK:** You mentioned full fibre network. How does the deployment of that reduce the impact of disasters? Floods are pretty obvious, I suppose, as an example.

**Mr Ljubanovic:** What we see is that fibre is, on average, about eight times more reliable than the copper network. That is due to water ingress that goes into copper joints, which we've especially seen recently in Queensland with flood damage while rebuilding the FTTN nodes, which have batteries within their power packs, and different types of electrical equipment. Those nodes are powered. We've got battery backup in the street network, but, obviously, when power and the electricity grid go down, we have to deploy generators to keep that up and running. Sometimes you cannot get a generator into a number of these areas. When there's flood damage, safety is an absolute priority for our workforce internally and externally in that regard.

A fibre network has no need to have power in the street. It's passive fibre cable, optical glass, all the way through from the local telephone exchange to the end customer's home. That inherent reliability and resilience is built into that fibre cable. With floods, wind damages and those types of aspects—especially if fibre is



underground, and we try and underground as much of our fibre as possible where it economically makes sense to—that stands the test of time.

Back to my earlier mention of the upgradeability of fibre in the future: it's about changing the electronic boxes at either end and not having to change that network. That is why we are seeing fewer and fewer network faults and customer faults. In the event of Queensland, for instance, when there is flood damage the network is ready to go when power comes back on for customers inside their homes and businesses.

**Senator BILYK:** That's great. Thanks, Chair.

**CHAIR:** Senator Cadell.

**Senator CADELL:** CommsDay reported on 20 December that the NBN *Special Access Undertaking annual expenditure report* said that the fibre to the node premises cost exceeded your forecasts by 29 per cent and fibre to the premises by 27 per cent. The actual costs were redacted, and I get that; I don't want that here. But how did we get that so wrong?

**Mr Knox:** I don't recall the report, but if we're talking about that we're over our estimate for spend on—

**Senator CADELL:** Yes—fibre to the node and fibre to the premises.

**Mr Knox:** Most of that is volume. It's all volume related.

**Senator CADELL:** Are we talking about \$3.8 billion to roll the rest of the fibre out to 622,000 homes? Are they the right numbers?

**Ms Sweeney:** Yes.

**Senator CADELL:** How do you recover—according to my calculator—\$6,109 per home when you've got operating costs and everything? That is a very minimal return on capital. It will take a huge amount of time to pay that off.

**Ms Sweeney:** Your point is very clearly valid. To go back to the original two million, obviously, we had easier access when we started with that process, and the cost per premises was lower. Then we moved to the next 1.5 million. The cost per premises, as you know, went up from there, and there was a blended cost, which was about \$1,200. If you look at the recent announcement around the 622,000 at the current cost of \$3.8 billion, you're correct: it comes in at about \$6,100. That assumes that we will be 100 per cent rolling out into every home and premises in that 622,000. We estimate—

**Senator CADELL:** So we might even not get that. If it's 50 per cent, it could be \$12,000 per home that connects.

**Ms Sweeney:** We actually think we'll get closer to 95 per cent in terms of building out that local fibre network. It's fair to say this is an investment which has a longer payback period, based on, again, those numbers that you've rightly pointed out. In terms of where we think we'll be from there, it is about digital inclusion. Again, we would not have been able to upgrade at the same pace without that investment from the government, so we definitely welcome it.

In terms of the capital management plan ensuring that we are managing that appropriately, we will be doing that absolutely in the final 622,000. I think we already mentioned the 3.5 million that we will have completed by the end of this year will come in on time and on budget.

**Senator CADELL:** I am one of the 622,000 who doesn't have fibre but I feel guilty about the spend. You said you would be migrating a lot of the 100-megabyte-per-second plans to 500-megabyte-per-second plans later at no cost. Is that still the case?

**Ms Sweeney:** That is correct. In September of this year, there was the opportunity—Anna, I might get you to talk to this in more detail—after extensive consultation with industry and also with industry partners on this with the RSPs around being able to upgrade our speed tier. Anna, I'm not sure if you would like to—

**Ms Perrin:** Yes. On 14 September we announced that we will make our 120 plan five times faster to 550 at no additional wholesale cost.

**Senator CADELL:** But you expect backhaul to cost more so retailers might actually charge more? Have you looked at the impact of what you think retailers will do?

**Ms Perrin:** Yes, we've been consulting deeply with the retailers on this topic and obviously different retailers have different network considerations.

**Senator CADELL:** Yes, different backhaul needs and everything. Yes, I get that sort of thing.

**Ms Perrin:** We have been working with retailers on some of the things that will make a difference to them. For example, some of them raised NNI costs, which is the network's network interface, so we reduced the price on that to make sure that we're lowering the impact on the industry.

**Senator CADELL:** I take the point of increased marginal costs as we get to validation there, but we are lowering the charges like the NNIs and no extra costs for 500s. How do we recover this money?

**Ms Perrin:** I would say that it is a different sort of question. We know that, around the world, speeds are lifting. We also know that we have reached critical points with our network rollout that mean that we can offer this. Mr Ljubanovic can talk to the network upgrades.

**Senator CADELL:** I heard his 81 gigs earlier and I went 'wow'. I will be—

**Ms Perrin:** We are in an evolving competitive market. We had reached these important milestones on the network, so we thought that now was the right time to do this. Our cousins in New Zealand, Chorus, their most popular plan is a 300-megabyte plan and they are going to do a speed boost to 500 as well, so this is simply about making the most of our network.

**Ms Sweeney:** If I could add a couple of things, it is obvious there is a revenue impact as we move customers and as customers elect to move on to the higher speed plans. But there is an efficiency gain for us around moving customers off the copper network and onto the fibre network. Again, that is quite substantial. You're probably aware we run seven networks at the moment.

**Senator CADELL:** I am on a bloody rim server. I'm not going to get a phone.

**Ms Sweeney:** In terms of the cost of being able to simplify and streamline our business, reduce IT costs, reduce the costs we mentioned around batteries, the nodes—we have 28,000 nodes still in this network—the way we look at it is from a cashflow perspective. Once it does go positive, we own the asset—stable revenue—looking what we're doing from op-ex and the capital reductions that we will see.

**Senator CADELL:** I'll be very careful on this next bit because it is somewhat sensitive. We have a lot of concerns regarding the field contract services tender that is currently out about the rumoured preferred suppliers and some ACCC action against some of those. Are you considering that before it is out, or has the decision been made and is final? I am not going to name names on this because I don't think that is valid.

**Ms Sweeney:** We appreciate that.

**Mr Ljubanovic:** I can cover those. In general, all of our procurement processes are very rigorous. We have got purchasing frameworks in terms of how we go through those processes, control points through to multiple rounds of assessment feedback. Through all those processes, what you are referring to in the field module RFP we have out at the moment, we have been in deep consultation with our partners in industry since November of 2023, so it has been almost 14-odd months. Through that consultation we have been working through what does good look like in codevelopment for this into the future. We finished that consultation in June of last year. We went to RFP in August of last year. It has been in an evaluation process since then and we are still in that evaluation process.

**Senator CADELL:** You are still in it?

**Mr Ljubanovic:** The RFP has not been concluded. As part of the process itself, we do indicate to our partners and parties that are part of that process who is preferred and nonpreferred as we get close.

**Senator CADELL:** So some are already out but the final one is not?

**Mr Ljubanovic:** We say 'preferred' or 'nonpreferred' because we have not yet concluded the terms and conditions with preferred parties. Once we have concluded that then we formally write to all participants around the outcome. We are not there yet. Absolutely, there is a supply code of conduct in all procurement processes around ethics, around expectations of what NBN has, around bribery, corruption and assessments, or around working with other participants. We have been very clear through that supply code of conduct and especially through the field module in regards to expectations through those, so we're very confident in our due diligence through this process thus far.

**Senator CADELL:** But you have been made aware of the ACCC charges against some participants?

**Mr Ljubanovic:** We are aware of them.

**Senator CADELL:** Thank you so much for coming.

**CHAIR:** Thank you so much for coming. Just one that we point: in the conversation about costs and where it is going, there is a much broader benefit to the country in terms of access to education, access to online health services, access for small businesses to contact their customers. Surely that plays a part in this part of the

development of the network. I appreciate that into the future you are going to hold your own and that will be great and there will be a return on investment. But surely at this point in the game, the further investments that are being put in by yourselves and also by the government are about the betterment of our society and access.

**Ms Sweeney:** Absolutely. I mean, again, the \$3 billion investment has brought forward our ability to upgrade those last 622,000 customers, who today would not have had an upgrade path off copper and would have been on a service that was degrading. So again, it is a great opportunity for us. Again, we talk a lot at the NBN about lifting the digital capability of Australia. Again, being new to the organisation and starting in December, it is an incredibly purpose-led organisation, and I think it is not lost on anyone the nation-building opportunity that we have now nor the importance and the criticality of getting it right and the real privileged position we are in.

**Senator McAllister:** I might add, it is a very significant investment from a Labor government perspective also because the NBN was envisaged as a service that would be nation building in its impact. We had a decade where we had the multitechnology mix. You heard about the legacy impacts of having so many different networks and the costs to the NBN of that approach. We wasted a lot of time under the Liberal and National parties. I am surprised to hear criticism this evening of the investments that are being made now and the equity funding that is being made to complete this project for so many households that will benefit from this really economy-changing, community-changing technology. I had understood that the coalition supported this equity investment. I'm now confused based on the questioning we have received this evening, but I imagine the shadow minister may at some point clear that up.

**Senator CADELL:** We are not concerned; we're just worried about the amount it is costing and that the public needs to know. We're not saying it shouldn't be done but we want clarity.

**CHAIR:** Thank you so much. Ms Sweeney, welcome and good luck in your endeavours. No doubt we will have the joy of seeing you in front of this committee a lot more into the future.

#### **Classification Board**

[20:03]

**CHAIR:** I would like to now call officers of the Classification Board as quickly as possible. Welcome. Mr Stephen Thompson is the director, and we have Mr Dominique Irlinger, a board member. Mr Thompson, is this your first time with us?

**Mr Thomson:** It's my first time. I started in the position in December, so it's my first time at estimates.

**CHAIR:** Welcome.

**Mr Thomson:** Thank you for having me.

**CHAIR:** Would you care to make an opening statement?

**Mr Thomson:** I would, if that's okay.

**CHAIR:** Please go ahead.

**Mr Thomson:** The Classification Board can trace its origins back 108 years to the establishment of the Commonwealth Film Censorship Board in 1917. Reform in the early 1970s began the transition from censorship to classification. The board as it exists today came into being with the passing of the Commonwealth Classification (Publications, Films and Computer Games) Act in 1995. Since 1995, which was 30 years ago, the board has not held power to censor the material it classifies. The board does not censor material. We classify films, computer games and other media to help Australians make informed choices about what they and their families watch, play and read. The board also works with law enforcement agencies and classifies material for enforcement purposes.

I want to acknowledge the hard work of my predecessors, including previous directors and board members, in helping Australians make these informed choices. In particular, I want to acknowledge any complex work that the board and staff in the department have carried out in the last 10 years. This has included navigating the introduction of multinational streaming services to Australia and platform convergence in media. The board is committed to working collaboratively with the department and industry, including streaming services, broadcasters and film distributors, as well as community stakeholders. Regardless of delivery platform, whether in the cinema or at home, using a videostreaming service or watching broadcast television, the board are committed to supporting an informative, consistent and efficient classification service. As the media landscape continues to evolve, our ambition is to ensure that Australian consumers can continue to make informed choices about what they watch, play and read. I'm happy to take any questions.

**CHAIR:** We'll go straight to Senator Cadell.

**Senator CADELL:** I've got some concerns. I'm not going to pretend—*Ostend*. Let's go straight there. I don't ever think a book should be banned. I'm not in that. But the classification of being able to sell it to anyone, even with the 15-year-old guide—I've read your reasons, but there are gang rape scenes of young girls and women in a book that is available in libraries and sales. We've had the eSafety Commissioner here. We're hearing that one in four girls are facing sexual harassment if not online. It promotes the wrong message. We've had a cry out from Bravehearts. The co-chair of the National Office for Child Safety, who is a member of Bravehearts, said no. I find it hard to rationalise in a world that objectifies women so badly, even having read your reasons. I get it's part of a criminal dismantling of a sexual predator ring; I get that. I get the context of it. But to make it available for all people—how do you get to that level? How do we respect women enough at a board that says—I mean, it is gang rape. It is that. You don't even pretend it's not in these books. It's a sexual predator ring. How is that approved for general sale?

**Mr Thomson:** I appreciate the seriousness of the topic. In assessing all publications, the board follow the classification of publication guidelines from 2005. That's what the board did in this instance. As you pointed out, they classified the publication as M—not recommended for readers under 15.

**Senator CADELL:** Not recommended but available.

**Mr Thomson:** Yes. The board aren't in control of the guidelines or enforcement of the guidelines. That's something that's agreed by the Commonwealth and the states and territories. So, when dealing with this sort of publication, the board's only recourse is to follow the guidelines, which they did in this case and in all cases. Hence the classification of M—not recommended for readers under 15.

**Senator CADELL:** It says in your ruling, 'Sex is not high in impact and is not exploitative, offensive, gratuitous or very detailed.' It is gang rape.

**Mr Thomson:** Literary—yes, I understand. When looking through the publications, the publication guidelines talk about context, terms like artistic merit and the fact that we're dealing with a fictional, written account of fictional activities.

**Senator CADELL:** If I put a video on the internet of the acts carried out, if it was a video and not a book, it wouldn't even get shown at all. I would be charged for the acts that are on that video, let alone not able to distribute it.

**Senator DAVEY:** Even if it was a fictionalised draft.

**Senator CADELL:** Yes. If it were adults pretending to play this role, I would be charged. How is there the differential between print and depiction? I just have trouble grasping this?

**Mr Thomson:** I understand, Senator. The classification guidelines for films and the classification for publications are different.

**Senator CADELL:** This isn't an anti-government thing for me. I'm having trouble understanding it. What would we need to do so this book wouldn't fit into those guidelines of that government, our government, any government?

**Senator DAVEY:** Eighteen-plus?

**Senator CADELL:** As eighteen-plus, I might not love the book but I would understand that. What do we need to do to do that?

**Mr Thomson:** A review of the publication guidelines is what we would need to do. In our submission to the stage 2 reform consultation, last year, the board outlined some recommendations around looking at the publication guidelines and considering a more informative set of guidelines to deal with publications.

**Senator CADELL:** So you were hamstrung by the guidelines, as they were. I have trouble, when it says, 'Sex is not high in impact and is not exploitative, offensive or gratuitous,'—I don't know what is more than a gang rape scene of young women, young girls. So I find that for that classification potentially, if it is that, because it is exploitative, it doesn't fit under that category. Wouldn't you agree?

**Senator McAllister:** I'll let Mr Thomson make any further remarks about the particular decision in relation to this book, but I wondered if I could come back to your broader question about what is the reform pathway and what is required.

**Senator CADELL:** I'm happy to do that. I could read it. No, I'm not going to read out. I've done enough bad things in estimates. I'm not going to read out what all that is.

**Senator DAVEY:** Thank you.

**Unidentified speaker:** No, please don't.

**Senator CADELL:** No, I'm not going to. There's another one: a comic book that's been similarly hated by young women and stuff like that. I won't name it so everyone goes googling it at home, but there is a sex scene where a man is, while he's having sex with a woman in a comic book, pulling her hair, burying the woman's head in the pillow and saying—I will say these words and bleep out the 'f's: 'You stupid slapper. I'll come to your house and I'll kill your husband and I'll kill your two little kids I'll—expletive deleted—kill you.' It's doing this same thing again.

Isn't that exploitative, offensive and gratuitous, and isn't that fear of non-consensual—when someone is saying that? I know you are saying in that magazine, reading the ruling again, that these two antagonists come together and they do this a lot. In a world that is meant to be respecting women more, valuing them and protecting them when we're trying to protect our youth from such violence—this is a comic book where this exists. Is this exactly the same problem?

**Senator McAllister:** You're pointing to the issue that's actually the subject of the reform process that's under way, which is that since these guidelines were established, the world has changed a great deal and there are a range of different medium through which content is provided to users and consumers. The way that they are treated from a classification perspective is not consistent and this is a source of quite significant frustration for people who voice very similar views as you do.

They might differ in terms of where the line ought to be drawn, but this lack of consistency between the different media is one of the things that is the subject of a present piece of reform that's under way. We've got a number of reviews that have already been undertaken that indicate that this is not fit for purpose and that, to a point, technology has moved on.

Essentially, the department has initiated consultation about reform. The submissions, as I've indicated, have highlighted the fragmented nature of governance and regulation and supported consolidation of the classification function into a clearer governance framework and a more clearly defined scope of content that would require classification. The government is now working with the states and territories to update classification guidelines for publications, films and computer games to try and bring some of this consistency and address some of those community concerns around gender based violence, mental health themes and sexually explicit content.

**Senator CADELL:** You mentioned computer games. That's something I haven't even put in my questions. I play my games—whatever they are—those things that make me feel good because I've got a bit of ADD. I'm playing an anti-screw game where you just get screws out of different things, and the ads come on for a role-play based game where a boss has to seduce his secretary. I haven't downloaded the game. You make decisions on, again, objectifying women. At the end of the ad it says, 'Stay the night or leave.' You click leave and it shows it's the wrong decision for the hand that comes on the ad. These are the things that I get there. That is a digital platform and it's an ad. I know things are changing and technology is changing. And I get everything you say about reform. I understand that and I back it; we'll get that far. To me it comes down to this phrase, and I go to it for the third time: 'Sex is not high in impact, is not exploitative, offensive gratuitous or very detailed.'

Again, I think that is a board situation not a guideline situation. That is a judgement call. If group sex, forced rape, of young women and young girls isn't offensive, exploitative or gratuitous, what is?

**Mr Thomson:** Like I say, I appreciate the concerns around these issues. The board classify a huge range of material, including material, as I mentioned in my opening statement, that is submitted for law enforcement purposes. The board see a significant range of material, and the level of impact through a fictionalised written account, as opposed to a video or an interactive game or real-life law enforcement material, is very different.

The board's frame of reference for this sort of stuff is informed by some of the worse things that the board are protecting Australian consumers from.

**Senator CADELL:** I fear for some of your people—what they see.

**Mr Thomson:** Yes. Not to trivialise the issue, but that's the environment that they're working in.

**CHAIR:** Thank you, Mr Thomson, we really appreciate you coming along. Apologies that you get a late-night slot and that it runs for 15 minutes, but you'll come to love us.

**Mr Thomson:** I'm looking forward to the next one. Thank you.

**Proceedings suspended from 20:17 to 20:29**

**Creative Australia**

**CHAIR:** I welcome Senator the Hon. Tim Ayres, the Assistant Minister for Trade, representing the Minister for the Arts. Minister, would you care to make an opening statement?

**Senator Ayres:** No, I don't think so, not at this stage—tempted as I am!

**CHAIR:** I also welcome officers from Creative Australia. Mr Collette, would you care to make an opening statement?

**Mr Collette:** I would, thank you.

**CHAIR:** Please go ahead.

**Mr Collette:** Thank you for the opportunity to speak to you today. I begin by acknowledging the traditional owners of the land, the Ngannawal and Ngambri peoples, and paying respect to elders past, present and emerging.

I want to begin by addressing the board's decision regarding the artistic team for the Venice Biennale 2026. Creative Australia's stewardship of public funding for the arts in Australia is both an honour and a weighty responsibility. Art has always occupied the complex and often uncomfortable space where competing perspectives and social pressures intersect. Maintaining social cohesion is a national priority, and the issues we are confronting are being navigated not just by artists and arts institutions or organisations but by workplaces, universities and communities across the community. We condemn any form of racism or discrimination and reaffirm our commitment to fostering an arts sector that is inclusive, respectful and reflective of the diverse voices that shape contemporary Australia. This is one of the functions under Creative Australia's legislation.

The selection process for the artistic team for the Venice Biennale followed a process that has to date served Australia and the artistic community well. We need only reflect on the 2024 success to know that the process has delivered results with compelling artistic integrity. But in this case the process has fallen short. To be clear, it has not failed on artistic grounds and it is not a reflection on the artistic team recommended for Venice.

The Creative Australia board does not pick artists and does not opine on artistic interpretation. The board is a custodian of Creative Australia's licence to operate, and it cannot delegate, transfer or outsource that responsibility to others, which means at times it must confront the most difficult decisions. The key roles of the Creative Australia board are governance of the organisation, risk management and to apply judgement to ensure our artistic mission can be delivered.

The entire 2026 Venice selection process will be the subject of an external review. We believe this is a critical step to restore the confidence of all our stakeholders. We will not prejudge what the review will determine. However, there is a central context that must be considered. Creative Australia spends public money to support its artistic and cultural ambitions. Our circumstances to date cannot be separated from the broader community context in Australia and the relentless daily threats to social cohesion. We strive to uphold the power of art to unite and build understanding but we cannot be blind to the very real risk that the choices we make can also have the potential to trigger divisive narratives. Where that is the case, the board must put its mind to the social licence consequences of how public funds are being spent.

The external review mentioned earlier will look at the whole governance process for the 2026 Venice Biennale. We will wait for the review's findings on the adequacy of the process to thoroughly identify, analyse, report on and manage the sensitivities and potential risks associated with the Venice selection process and its governance, and we look forward to what the review might say about whether those issues were able to be given appropriate consideration.

As public debate intensified and scrutiny was applied to some of the artist's prior works, it very quickly became evident to the board that the organisation was confronting significant risks to its future mission. In these circumstances the board was compelled to exercise its judgement, and there were no dissenting voices. We understand the deep distress this has caused the artistic community. It's been felt acutely by the board and by all of us at Creative Australia as well.

It is important to reiterate that this decision does not affect the vital work Creative Australia delivers through its grants programs and broader support for Australian artists. As we navigate this challenging period, we remain committed to our mission of fostering artistic excellence and creative expression. We remain steadfast in our mission to support Australian artists and to champion the power of art in our society. We will continue to work with the sector to uphold artistic freedom, celebrate our nation's artistic voices and ensure that Creative Australia can continue to serve the wider public trust placed in us.

Thank you. We will be happy to answer your questions.

**CHAIR:** Mr Collette, you said in your opening statement that what you do is a great honour and a weighty responsibility. The events over the last couple of weeks have caused an enormous amount of stress, anxiety and disappointment across the arts community and in various other sectors of the community. Would you care to unpack how we got to this point a little more? I feel that people are tuning in and people are keen to get an explanation of the rationale of each step of this process, and I wonder if you could take a moment to run us through that.

**Mr Collette:** Yes, I would be happy to. You're right; this is a critical moment and it's caused much anxiety. It's caused much sadness for many of my colleagues and, understandably, so much of the artistic sector. We were aware, when we made the decision as the board, that the artistic sector would be very disturbed by the decision we made. It's certainly the toughest one in my now-quite-long experience in the artistic sector.

The process, as I said, was as it has been for the last three Biennales, since Creative Australia took responsibility for making the decision on the Venice artist to represent Australia. That's important in all this. It is unlike anything else we do; the appointment of the artist and curator for the Venice Biennale is unlike anything else we do. We have our grants programs that are often the subject of some debate but have served Australian independent artists and small projects extremely well for decades, and, of course, the majority of our funding goes to the major performing arts organisations and our four-year funded organisations.

It's important to recognise that this is different in kind. We use many of the same processes to arrive at this. In this case we appointed experts, industry peers, three Australian visual arts experts or practitioners and two internationals, given the international flavour of this. They guided our choice for the artists that would represent Australia in the Australian pavilion in the biggest international art fair in Australia—so this is very different to giving a grant or investing in a company to do its work.

We had confidence in the process. It was exactly like the last three Biennales. We had very good advice. The process involved the industry advisers giving that advice to our head of visual arts and to me in long briefing sessions, and, based on that, through a very competitive shortlist of six finalists. In the run-up to that, into the two-stage process, 51 artists applied for the privilege of being the Australian artist at the Venice Biennale. Based on that advice, the head of arts practice and I decided on Khaled Sabsabi and the curator, Michael Dagostino, to represent us at the Venice Biennale. We did that confidently and based on the project that had been outlined to us that the curator and the artist wanted to work on for the 2026 Venice Biennale. I can go into a bit more detail about the nature of that project; of course, it is something we planned to launch further down the track.

After the launch, some controversy was generated by a work of art that the artist produced in 2007. It was subject to a good deal of controversy, to artistic explanation, to artistic critique. During that time after the launch, also in the Senate, Senator Chandler referred to another work that was produced some 20 years ago based on the 9/11 assault and had the caption *Thank you very much*. We anticipate always that the selection of the Venice artist will be controversial. It has been from time immemorial. Everyone has a view on the artist, on the art. We don't resile from any of those decisions; we haven't in the past. But what happened at that moment was a recognition by me and the board that this entire process was going to be mired in the worst kind of divisive debate. The artist wouldn't have an opportunity to do his work, and the potential of this to damage not only the artist himself but the organisation that we are there to serve—remembering that at the Venice Biennale we have an artist who represents Australia. The damage that could be done through sustained controversy and divisive debate at this particular time, with the fragmentation of public discourse that we are seeing in all our institutions—the board, regardless of their individual experience as artists, as arts practitioners, as people who have been in governance for a long time, had within that room a unanimous feeling that this controversy had the potential to damage the organisation, the artist and our reputation.

**Senator HANSON-YOUNG:** Instead you've already done that.

**CHAIR:** Thank you, Senator Hanson Young, but interjecting in the conversation when it is not your turn is not helpful.

**Mr Collette:** I'm very happy to talk to engage—well, 'happy' is not the word.

**CHAIR:** I'm sorry, Mr Collette. That's my call, not yours.

**Mr Collette:** I'm sorry. I'm trying to explain why the decision was made. It was for that reason that we took a very difficult decision.

**CHAIR:** I know my colleagues have lines of questioning that they will follow, and I will get to them in a moment. One of the things that has been raised with me on a number of occasions in the last week or so has been that people say that the minister should now intervene. Now, if we all look back—I'm very proud to be part of a Labor government that worked very hard to ensure there wasn't political interference in the arts. That's something we are very proud of. The legislation governing Creative Australia says very clearly that the minister should not give direction in relation to the making of a decision by Creative Australia, which is something we wish to hold up. However, the anxiety, the devastation and the damage that have been created has meant that people are now backflipping from not wanting politicians to intervene to now going, 'This is a terrible situation, and someone needs to intervene.'

I'm going to ask my colleagues to behave themselves, essentially, as we go through the next hour. People have questions that you need to answer. There are deep concerns about how things have played out, and this is your opportunity to explain what has occurred. I stress to my colleagues that we're not going to have an all-in brawl here. We ask people to remember that they have obligations under the behaviour code of conduct for Australian parliamentarians and that they will treat the witness with dignity, courtesy, fairness and respect. With that, I will go to Senator Hanson Young.

**Senator HANSON-YOUNG:** Thank you, Mr Collette and Mr Morgan, for being here. When did you decide to call a board meeting?

**Mr Collette:** I contacted Mr Morgan on Thursday the 13th. That was the day that—

**Senator HANSON-YOUNG:** the Senate question was asked.

**Mr Collette:** Yes, it was the day that question was asked. It was the day I and we became aware of—

**Senator HANSON-YOUNG:** the gossip piece in the *Australian*?

**Mr Collette:** There have been many gossip pieces in the *Australian*, but, no, that wasn't. It was due Senator Chandler's questions in the Senate that we became aware of an early work of art that Khaled Sabsabi had done which we were not aware of. I was concerned about the impact that would have for all the reasons I have explained, so I won't belabour them anymore, and so I contacted the chair of Creative Australia, and we decided that we should discuss it with the board. We had a board meeting that evening.

**Senator HANSON-YOUNG:** Okay. I want to be really specific about the timeline here. I was in the Senate when Senator Chandler asked the question, so I know when that happened. It was about 2.35 pm. When did you receive the call from the minister?

**Mr Collette:** It was at about 3.30 pm.

**Senator HANSON-YOUNG:** And when did you call Mr Morgan?

**Mr Collette:** I'd called him before then.

**Senator HANSON-YOUNG:** You called him before the minister called you?

**Mr Collette:** Yes.

**Senator HANSON-YOUNG:** Were you watching Senate question time?

**Mr Collette:** No, but colleagues who mine who work in public affairs were and alerted me to it. We searched for the image and saw it, and I thought, 'This could hurt—

**Senator HANSON-YOUNG:** Who alerted you?

**Mr Collette:** It all happened quickly. I think it was probably my head of public affairs, Nicola Grayson.

**Senator HANSON-YOUNG:** So what time did you call Mr Morgan?

**Mr Collette:** It was very close to 3.30 pm.

**Senator HANSON-YOUNG:** But it was before the minister called you?

**Mr Collette:** Yes.

**Senator HANSON-YOUNG:** So that conversation between the two of you must have been fairly brief.

**Mr Collette:** I described the image. I said, 'I think we have an issue here that the board needs to discuss,' and so we got busy bringing the board together.

**Senator HANSON-YOUNG:** Okay. Mr Morgan, what was your recollection of how long that initial discussion took?

**Mr Morgan:** With Mr Collette?

**Senator HANSON-YOUNG:** Yes.

**Mr Morgan:** It was very short. As soon as he described to me what had been revealed in the Senate and the graphic imagery pertaining to that, it became obvious to me that we needed to get the board together to discuss the implications of that on the Venice artist commission.

**Senator HANSON-YOUNG:** Just to be clear: Mr Colette, you called Mr Morgan sometime between 2.35 pm and 3.30, and you can't remember exactly when.

**Mr Collette:** I can't, no.

**Senator HANSON-YOUNG:** But you could check, couldn't you?

**Mr Collette:** I could check, yes.



**Senator HANSON-YOUNG:** I would like you to check that. And then you received a call from the minister? Did you receive a call from the minister, or did you call the minister?

**Mr Collette:** I received a call from the minister.

**Senator HANSON-YOUNG:** Had there been any communication with the minister's office prior to the minister calling you?

**Mr Collette:** Not with me, no.

**Senator HANSON-YOUNG:** With anyone at Creative Australia?

**Mr Collette:** I would have to check that, but there was certainly none with me.

**Senator HANSON-YOUNG:** Mr Morgan, did you receive any communications from the minister, the minister's office or anyone else in government before you spoke to Mr—

**Mr Morgan:** None whatsoever.

**Senator HANSON-YOUNG:** So the first you heard about this was when Mr Collette called you.

**Mr Morgan:** Mr Collette rang me around that time. I can't remember, but it was midafternoon. I happened to be in Melbourne that day. It was quite clear, as we said, that we needed to get the board together to assess what clearly was going to be something we needed to deal with quite quickly.

**Senator HANSON-YOUNG:** When was the board meeting convened?

**Mr Collette:** It was six o'clock that evening.

**Senator HANSON-YOUNG:** Did you contact the artistic team before or after the board meeting?

**Mr Collette:** Both.

**Senator HANSON-YOUNG:** When was the first time you contacted—

**Mr Collette:** I'd have to check to be exact, but it was about half an hour before the board meeting that I rang Khaled. I said there was an issue about one of the images we had now seen. The board wished to discuss it. He briefly explained the image to me, and I undertook to ring him as soon as the board meeting was over.

**Senator HANSON-YOUNG:** So you must have called him at about 5.30—

**Mr Collette:** Yes.

**Senator HANSON-YOUNG:** and then the board meeting was at six. Not all members of the board could make that meeting, could they?

**Mr Collette:** No. Larissa Behrendt was away, so she wasn't at the meeting. But I think every other board member was there.

**Senator HANSON-YOUNG:** Was it so urgent that you couldn't wait for the full board to be available? This was a Thursday afternoon—by this time, Thursday evening.

**Mr Collette:** In my judgement, it was critical. It was really critical. And to get all but one of your board members to a meeting suggested to me that, if I as CEO said we had a critical issue, people dropped what they were doing to be at the board meeting. Larissa Behrendt was away.

**Senator HANSON-YOUNG:** Were all members of the board, besides Dr Behrendt, able to be at that meeting for the full time?

**Mr Collette:** I think one of our members had to leave early.

**Mr Morgan:** Yes. Caroline Wood left, I think, after about 35 minutes.

**Senator HANSON-YOUNG:** Okay. Is it usual in these situations to give board members ample time to be able to attend meetings and consider the matter for which the extraordinary meeting has been called?

**Mr Collette:** I'm sorry?

**Senator HANSON-YOUNG:** How much time were board members given to consider the urgent matter?

**Mr Collette:** The board meeting ran for about an hour and a half.

**Senator HANSON-YOUNG:** Right. The board meeting itself ran for an hour and a half. And when were board members informed that a meeting would be called for 6 pm? At some time between 3.30, when Mr Collette—

**Mr Collette:** Yes, my executive officer made the calls, sent the emails and arranged the meeting.

**Senator HANSON-YOUNG:** Did the board members know what the meeting was about? Were they informed what the extraordinary meeting was being called for?

**Mr Collette:** I'm trying to be exact here.

**Senator HANSON-YOUNG:** Thank you.

**Mr Collette:** We said there was an urgent meeting. I think we said—but I'd have to check this—that there was an urgent matter to be discussed about the Venice project. But I'm not 100 per cent sure that we used those words.

**Senator HANSON-YOUNG:** When you spoke to Mr Sabsabi—and you said that you spoke to him briefly before the meeting—did you offer him an opportunity to speak to the board, to explain his work—

**Mr Collette:** No, I did not.

**Senator HANSON-YOUNG:** to give the context?

**Mr Collette:** No, I didn't. No, I did not at that time. He explained the work to me.

**Senator HANSON-YOUNG:** And that wasn't sufficient for you? You didn't think that that was a sufficient explanation?

**Mr Collette:** Let me try and make a distinction here. The impact of those images at this time, with the controversy going on, is not, in my view, about artistic intent. It is not about artistic intent. It is about the impact that would have on the broader public. That was the concern. And the impact of art does not reside with an artist's intent; it resides in the way it is perceived by the public. I say this really seriously because I've spent the best part of my life defending artistic freedom: my concern here was for the future of the organisation.

**Senator HANSON-YOUNG:** Well, I tell you what, we're here tonight because a lot of us are concerned about the future of the organisation—

**Mr Collette:** I understand—

**Senator HANSON-YOUNG:** and I would put it to you, Mr Collette, that the knee-jerk reaction that you made without giving the artistic team the option to explain their pieces to the board; for you to react with such haste, without even having all the members of the board present; to announce a successful commission, only to have it ripped off six days later because of a Murdoch newspaper hack-job and a conservative MP asking some questions in Senate question time—that is what has put this organisation into disrepute. That is what has. There are a lot of different views around this table about process and the ability for artists to be heard and respected by bureaucracy. But I think you have fundamentally undermined artistic policy in this country for a very long time, and people are very upset about it—very upset.

My concern is that there was no calm, thoughtful, let's-think-about-this process. You went into panic mode, and you pushed the button. That's not good enough. The artists deserve better. Creative Australia has an obligation to look after the artists. Yes, we all have a responsibility for social cohesion—of course—but your organisation has a special responsibility to protect the integrity of the artistic agency and artists, and I think you failed. I think you failed dismally. I'd like to know when the artist was informed that their contract was terminated. Can you tell me when the artist was informed?

**Mr Collette:** I rang the artists—I rang Khaled and Michael, who was on the call—straight after the board meeting and told them of the decision that they would not be representing Australia.

**Senator HANSON-YOUNG:** That was a phone call? That was done—

**Mr Collette:** It was a phone call.

**Senator HANSON-YOUNG:** And that was at 5.30?

**Mr Collette:** No, it was at 7.30, after the board meeting. I said that we would be making a statement. I tried to call back again to read the statement to Khaled. Understandably he was very upset, so he didn't take my call. I texted him a couple of times because I wanted him to see the statement, and then the statement went out.

**Senator HANSON-YOUNG:** When was the artist formally told that the commission, or the contract, was rescinded and terminated?

**Mr Collette:** Effectively, after the board meeting.

**Senator HANSON-YOUNG:** No, no. A contract was signed. When was the contract formally terminated, Mr Collette?

**Mr Collette:** The decision to terminate the contract was a consequence of that board meeting. We let the artist know today that the contract had been terminated.

**Senator HANSON-YOUNG:** Excuse me? You called the artist on the Thursday night after the rushed board meeting, after only a handful of hours to make this decision, to say, 'Sorry about that; we're taking it off you.' It's taken you nearly two weeks to formalise that in written form. Is that what you're telling me?

**Mr Collette:** It is what I'm telling you.

**Senator HANSON-YOUNG:** Why has it taken so long?

**Mr Collette:** Because there has been some correspondence between the artist and me in between, and, in effect, the decision to terminate is absolutely coincident with the decision the board made that night, and—

**Senator HANSON-YOUNG:** Is it a coincidence that you've written to the artist today and terminated the contract formally? Does it just happen to be that it's Senate estimates? Why has it taken nearly two weeks, when you made a decision on the Thursday night like that?

**Mr Collette:** Because we were having some correspondence with the artist.

**Senator HANSON-YOUNG:** Did you have to get legal advice?

**CHAIR:** Senator Hanson-Young, we're going to have to rotate the call.

**Senator HANSON-YOUNG:** Did you have to get—

**CHAIR:** There are many people who wish to ask questions.

**Senator HANSON-YOUNG:** Did you have to get legal advice?

**Mr Collette:** We didn't have to get legal advice; we chose to get legal advice.

**Senator HANSON-YOUNG:** After the fact.

**CHAIR:** We'll now rotate the call to Senator Chandler.

**Senator CHANDLER:** Much has been said about the questions that were asked in question time that led to this decision being made. I think Senator Hanson-Young mentioned that I asked those questions, which I'm sure you're aware of, Mr Collette. I want to be very clear: in my line of questioning to Senator Wong I raised two pieces of artwork that Mr Sabsabi had created. The first was a piece of art that depicted Nasrallah, the leader of Hezbollah, and the second was the artwork depicting the 9/11 terrorist attacks, titled *Thank You Very Much*. Were you made aware of both of those pieces of artwork when I asked my question in question time? Or was it only the 9/11 piece that you became aware of when I raised that question?

**Mr Collette:** It was the latter. I was made aware of you and the artwork about the Hezbollah leader a day or two before we launched the artist we commissioned for the Venice Biennale. About a day or two before the launch of Khaled and Micheal as the artistic team of the Venice Biennale.

**Senator CHANDLER:** Who made you aware of the Nasrallah piece?

**Mr Collette:** It would probably be Public Affairs and communications people who were made aware of it, but I can't guarantee that as I sit here. I know I became aware of it probably two days before the launch.

**Senator CHANDLER:** Would it be fair to assume, then, that none of this information was contained in the brief Creative Australia provided to the arts minister regarding the selection of Mr Sabsabi as a representative at the Venice Biennale?

**Mr Collette:** Correct, it wasn't.

**Senator CHANDLER:** On what date was the brief outlining the selection of Mr Sabsabi provided to the minister?

**Mr Collette:** It was on 31 January. The launch was on 5 February.

**Senator CHANDLER:** This brief contained no reference to the Nasrallah artwork—

**Mr Collette:** It didn't.

**Senator CHANDLER:** no reference to the 9/11 artwork—

**Mr Collette:** No, we were unaware of that.

**Senator CHANDLER:** You were completely unaware of that. Were you unaware of the Nasrallah artwork when the brief went to the minister?

**Mr Collette:** I was certainly unaware of it.

**Senator CHANDLER:** Would anybody else in Creative Australia have been aware of the artwork when the brief was sent to the minister?

**Mr Collette:** I can't answer that to a certainty. Let me add that, characteristically, we do not do searches of an artist's back catalogue. We don't do that. We judge the work in front of us and its potential to fulfil the brief that we are looking for. I'm very confident in saying there wasn't a thorough search of 30 years of artistic enterprise—thousands of images—before we made the decision to appoint Khaled and Michael.

**Senator CHANDLER:** You've said in your evidence that this is obviously a significant selection that Creative Australia undertakes.

**Mr Collette:** Quite right. Correct.

**Senator CHANDLER:** What risk-management processes do you have in place to identify any reputational issues that might arise when you are selecting somebody to represent our country overseas? I would have thought that is the sort of information that should be provided to a minister because they're the one that may not be signing off on the decision but to an extent has responsibility for it.

**Mr Collette:** That is exactly why we've called this review of our processes—both executive management and government's processes—of this decision, because it is different in kind. In any investment we make in grants that are big or substantial, we do have a contentious issues register. These things might come up. In this case, the only one that we reported to the minister and were aware of was that the artist had boycotted the Sydney Festival, along with a number of other artists. But we were unaware—because we do not do a thorough search of artists' back catalogues. To your point, this is why we want a review. The organisation was exposed; we don't deny that. It's a process that has served us very well over many years, but we are not pretending that there is something to learn through the process.

**Senator CHANDLER:** Just for clarity—because this was my next question—Creative Australia was aware that Mr Sabsabi sought to boycott the Sydney Festival. Is that correct?

**Mr Collette:** Yes, we were.

**Senator CHANDLER:** Was that included in the brief to the minister?

**Mr Collette:** Yes, it was.

**Senator CHANDLER:** Was there any reference to any conflict-of-interest procedures that were undertaken in relation to the selection of Mr Sabsabi, and is that the sort of information that is contained within a brief to the minister for these decisions?

**Mr Collette:** Sorry, Senator. Could you repeat that?

**Senator CHANDLER:** Conflicts of interests—any process around the selection where those on the panel might have declared a conflict.

**Mr Collette:** Right. No, they wouldn't, because we've got very thorough conflict-of-interest procedures in Creative Australia. You have to remember the context for this. It is different in kind. I made the point and I take the point that the commissioning of a Venice artist is different in kind. The processes have served us well. We have commissioned an independent review to learn what we can do better, but this is outside the 160 organisations we fund. In our normal grantmaking we are dealing with about 10,000 applications a year, and last year we awarded nearly 3,000 grants, so we have very robust conflict-of-interest processes in place that govern the qualifications of our peers, our industry advisers and indeed the industry experts who advised us on the appointment of the Venice Biennale.

**Senator CHANDLER:** At what point did Creative Australia become aware of the boycotting issue in relation to Mr Sabsabi?

**Mr Collette:** I think it is something we would have been aware of quite early on in the process.

**Senator CHANDLER:** When his application came across the desk, you thought, 'That's the guy that wanted to boycott the Sydney Festival'?

**Mr Collette:** I wouldn't put it like that, no.

**Senator CHANDLER:** That was probably a little colloquial; you'll have to excuse me, Mr Collette.

**Mr Collette:** It's a well-known part of the artist's history that he was—

**Senator CHANDLER:** And this is what I'm struggling to comprehend. You say that that was a well-known part of the artist's history, but a quick Google search shows up some of these other artworks that I raised in question time. I didn't have to look too hard to find them. I am struggling to understand how that basic search can't have taken place prior to the selection of this artist.

**Mr Collette:** I understand you're struggling to understand it, but I think I've answered your question. We characteristically don't do intensive searches of artists' back catalogues. Subsequent to this, we've called a review of the process because we want all rigour to be applied to give us advice about how we might improve the process in future. But it is a process that has served us well in the past, and, as I said in my statement, it's come up short this time.

**Senator CHANDLER:** There is a difference between extensively searching through an artist's back catalogue and just doing a basic search of artwork that they've done.

**Mr Collette:** There is a difference in that, but it's not something we characteristically do.

**Senator CHANDLER:** So I'm clear: when you get an application for the Venice Biennale from anyone, you're not giving any consideration to the artwork that they have previously produced before you make that selection?

**Mr Collette:** We certainly have a view on the calibre of the artist.

**Senator CHANDLER:** How can you have a view on the calibre of the artist without knowing what artwork they have produced and what is in their catalogue of works?

**Mr Collette:** In this case, Mr Sabsabi is a highly respected, highly established artist. He's had works in two Sydney biennales, he's had works in biennales in China, and he's had works in biennales in Adelaide. His work is part of museum collections, including the MCA, which houses the work you've alluded to. He has a substantial body of work. He is a highly recognised artist of merit. In this case, we wouldn't be looking for individual artworks, given his reputation and history of achievement.

**Senator CHANDLER:** Why not stand by him then?

**Senator CHANDLER:** So I'm very clear: is this external review only in relation to the Venice Biennale selection or will it be more wide reaching?

**Mr Collette:** No. It's only in relation to the selection, management, executive and governance processes around the Venice Biennale.

**Senator CHANDLER:** Whose decision was it to undertake that review?

**Mr Collette:** It was the board's.

**Senator CHANDLER:** Was any suggestion made to you by, for example, the minister that a review might be prudent, or is it something that your board has self-initiated?

**Mr Collette:** It is the latter.

**CHAIR:** We need to rotate the call.

**Senator CHANDLER:** I was just about to say, Chair, if you want to move around a little, I'm happy to come back.

**CHAIR:** Thank you. Senator Hanson-Young.

**Senator HANSON-YOUNG:** On the topic of the review, is there a terms of reference?

**Mr Collette:** There will be. There's a terms of reference in development.

**Senator HANSON-YOUNG:** You announced that you are going to have a review on Monday morning last week. You still haven't come up with the terms of reference, but you managed to sack somebody within a couple of hours. There just seems to be incredible inconsistency in the ability of you, Mr Collette, to act fast when you want and to not act fast enough when needed.

**Mr Collette:** We had been through a procurement exercise to find the person to do the review.

**Senator HANSON-YOUNG:** Wouldn't you need a terms of reference in order to know who should do the review?

**Mr Collette:** The broad terms of reference is to review the management, executive and governance of the selection process of deciding the commission for the Venice Biennale.

**Senator HANSON-YOUNG:** Will it include the turmoil of the sacking of the commission?

**Mr Collette:** It'll include examining the board process to arrive at that decision.

**Senator HANSON-YOUNG:** Will it consider the impact that this reversal has had on the arts community and the integrity of Creative Australia?

**Mr Collette:** That is not part of the review as we envision it.

**Senator HANSON-YOUNG:** Don't you think it should be? If it's a full and frank, open, independent inquiry, it should look at what happened, what happened next and what the impact was. That seems to me to be a pretty basic process of reviewing this whole saga.

**Mr Collette:** That would be a consideration of the board. I can't make that decision on my own.

**Senator HANSON-YOUNG:** Mr Chairman, have you given the board any direction or your advice as to what this review should cover?

**Mr Morgan:** As Mr Collette indicated, we decided as a board that we needed to do a review of the process in relation to the selection of the Venice Biennale arts team and also of how that whole process worked through, what could be improved and what lessons could be learned. It is the intention of the board to make changes according to those recommendations so that we can ensure that the process is fit for purpose.

**Senator HANSON-YOUNG:** Do you think that, as chair of the board, the behaviour and approach of the board in dealing with the reversal of the decision should be part of the review's remit?

**Mr Morgan:** The role the board should have, in terms of the selection of the artist, is part of it.

**Senator HANSON-YOUNG:** Do you think the board should select the artist?

**Mr Morgan:** No.

**Senator HANSON-YOUNG:** But you should be able to sack them?

**Mr Morgan:** No. We should assess what role, if any, the board should have. I don't want to pre-empt that review.

**Senator HANSON-YOUNG:** Mr Collette, you revealed previously, when speaking to me, that today you formally terminated the contract. When was that notification given?

**Mr Collette:** To the artist?

**Senator HANSON-YOUNG:** Yes.

**Mr Collette:** It was communicated today.

**Senator HANSON-YOUNG:** At what time?

**Mr Collette:** This afternoon at 4.30 pm.

**Senator HANSON-YOUNG:** Can we please have a copy of that termination communication? Is it a letter?

**Mr Collette:** I'd have to take that on notice. I'm not saying no. I just have to take advice.

**Senator HANSON-YOUNG:** I would appreciate that being tabled. I can't see why there would be a PAI claim against that. So it was only this afternoon that this formally happened. You sought legal advice about the termination of this contract.

**Mr Collette:** We did.

**Senator HANSON-YOUNG:** When did you seek legal advice?

**Mr Collette:** We sought legal advice during the course of this week, two or three days ago.

**Senator HANSON-YOUNG:** Do you reckon that maybe you should have got the advice before you sacked the guy?

**Mr Collette:** The sacking of the guy, as you put it, was effected when we rescinded the commission. That happened on 13 February.

**Senator HANSON-YOUNG:** Do you think you should have got some legal advice before you did that?

**Mr Collette:** We didn't have time.

**Senator HANSON-YOUNG:** According to who?

**Mr Collette:** According to us. We had to make that decision very quickly.

**Senator HANSON-YOUNG:** What are the legal grounds on which this contract has been rescinded?

**Mr Collette:** I am not going to go into that.

**Senator HANSON-YOUNG:** You don't get to decide those types of things.

**Mr Collette:** I think that on legal matters we should take advice before answering those questions.

**Senator HANSON-YOUNG:** Hang on a minute. You wouldn't even get legal advice before you rescinded the contract, before you rescinded the decision, but now you want to get legal advice before you answer questions in Senate estimates? That's a bit rich.

**CHAIR:** Senator Hanson-Young, I ask you to stop. Mr Collette, you are at liberty to take on notice that question. It is a legal matter, therefore you are at liberty to gain advice about how you present the information to the Senate. You are not in a position to not provide information to the Senate without putting forward a PII claim, which will then be assessed by the committee in the first instance. Senator Hanson-Young.

**Senator HANSON-YOUNG:** Did you only seek legal advice three days ago?

**Mr Collette:** Yes, that's correct.

**Senator HANSON-YOUNG:** Did somebody advise you to get legal advice?

**Mr Collette:** No, no-one advised me to get legal advice. We were dealing with the termination of a contract. It's the normal thing to do.

**Senator HANSON-YOUNG:** Was there any discussion amongst the board of the legal implications of this reversal of the commission during the board meeting on 13 February?

**Mr Morgan:** No, it was not discussed.

**Senator HANSON-YOUNG:** You're the chairperson of the board of Creative Australia. This is the biggest commission that Creative Australia runs and the biggest arts event that Australia is involved in internationally. You have this extraordinary meeting. You make this very quick decision that reverses an appointment from six days earlier, and not one person on your board thought that they should better understand what the legal ramifications of this are. That, to me, sounds like a total failure of governance. You're the chairperson, Mr Morgan.

**Mr Morgan:** I understand that we have a process for the rescission of commissions, and we followed that process in that board meeting. I understand that we are legally entitled to do so.

**CHAIR:** Senator Hanson-Young, we'll need to rotate the call. We'll go back to Senator Chandler.

**Senator CHANDLER:** Just so I am very clear before I start my next tranche of questions, the decision to call the board meeting and rescind Mr Sabsabi's commission was based entirely on the discovery of the 9/11 artwork. Is that correct, Mr Collette?

**Mr Collette:** Yes, that's correct.

**Senator CHANDLER:** Minister Burke gave an interview with Sarah Ferguson on the 7.30 program—I think it was last Monday, the 17th—and in that interview the minister said:

That particular work had not been raised with me in any of the briefs and was clearly more controversial than anything that had been.

Minister, is it your understanding that it was the 9/11 work that Mr Burke was shocked about?

**Senator Ayres:** I am just looking at the interview. What the minister has said is that he, as the minister, is not engaged in the appointment of the artistic team. He hasn't been engaged in the decision to rescind that appointment, but government has got a view, consistent with the legislation, that the arts minister doesn't direct Creative Australia. I think he said in the interview that he indicated to Mr Collette that he understood that the board was going to meet, and he would support the board making that decision. He said:

... questions had come up in the Senate about a particular work which normally—look, I don't get involved in the decisions, but when something's due to be announced, I get sent up a brief with, "what are the different works, what are the different issues that might be considered controversial?" That particular work had not been raised with me in any of the briefs and was clearly more controversial than anything that had been. So, I was shocked when I saw that it was there and I rang Adrian—

That is Mr Collette—

to find out what had happened. At that point, he had already determined that they were going to have a board meeting that night.

He went on to say:

... whichever—whatever you decide, I will support you and I will support Creative Australia.

Your question is—

**Senator CHANDLER:** Which piece of artwork was the minister shocked about?

**Senator Ayres:** Whether it's one or both, I'd have to take that on notice. I don't know on the basis of the briefings that I've received.

**Senator CHANDLER:** Thank you, Minister. Mr Collette, surely in the conversation that he had with you, at 3:30 on the afternoon of Thursday 13 February, the minister articulated what he was shocked about?

**Mr Collette:** He did. He said, 'Are you aware'—I can't remember the exact words—'of the artwork, the image that was just discussed in the Senate?'

**Senator CHANDLER:** 'Artwork' is singular—so in reference to the 9/11 piece, not the Nasrallah piece?

**Mr Collette:** I really do believe it was in response to that work, yes.

**Senator CHANDLER:** What was that, sorry?

**Mr Collette:** I really do believe it was in response to that work.

**Senator CHANDLER:** The 9/11 piece?

**Mr Collette:** Correct—that work.

**Senator Ayres:** That's consistent with my understanding of what's happened here, but I will come back to you on notice if there's anything additional that I can provide.

**Senator CHANDLER:** Thank you, Minister. Mr Collette, what else did the minister say to you in that conversation?

**Mr Collette:** He talked about his response to the artwork. He asked me the question 'Are you aware of it?' He may have asked why it wasn't in the brief to him, but I told him that I was very concerned about the impact of those images and that I was convening a meeting of the board.

**Senator CHANDLER:** Did the minister give you a timeframe in which you were to consider the situation? You'd obviously called a board meeting. Did he say to fix it at the board meeting, or did he say, 'I'm leaving it with you; you fix it in your own time'?

**Mr Collette:** No, he said neither of those things.

**Senator CHANDLER:** Did the minister make any comment regarding a direction coming from the Prime Minister's office?

**Mr Collette:** No.

**Senator CHANDLER:** So the minister proactively rang you about the 9/11 piece, and the board subsequently cancelled the contract, as you confirmed previously, purely on the basis of the 9/11 piece of work?

**Mr Collette:** On the basis of their concern of the impact of that piece on the planning of the project, on its effect on the artist and his ability to deliver what he was planning to deliver, and on its impact. I take all the points made about the response to the arts sector, which we feel, but on the basis of its concern for the reputation of the organisation with the broader public.

**Senator CHANDLER:** But you weren't concerned about the Nasrallah piece?

**Mr Collette:** The Nasrallah piece was gifted through the government's cultural commission to the MCA. I don't doubt it's a controversial piece, but it's been part of the MCA's exhibit for well over a decade. It's been viewed by thousands and thousands and thousands of people. It is different in kind. I go back to that point I made. This is not about artistic intent. I could probably sit here and critique that work in some way, too—I mean the 9/11 piece, which was part of a master's student's work back in 2006 or whenever it was. That's not the point. The point is that those images, with that caption and with the US President—no-one would have time to critique the intent of that work. That would have a major impact on the public—

**Senator HANSON-YOUNG:** But that isn't the piece of work that was going to Venice.

**Senator CHANDLER:** Senator Hanson-Young, I have the call.

**CHAIR:** Thank you, Senator Chandler. I'm chairing here.

**Senator HANSON-YOUNG:** It's convenient—

**CHAIR:** Senator Hanson-Young, I'll ask you not to interrupt.

**Mr Collette:** Sorry, but why would it be convenient? There's nothing convenient about the decision we made. We appointed Khaled and Michael in the best possible faith, through a process we had confidence in. We think he is a tremendous artist. Why would it be convenient for us to overturn that decision?

**Senator FARUQI:** Because you're being—

**CHAIR:** No, Senator Faruqi, you do not have the call. I'll ask you to stop. Senator Chandler, you have two minutes.

**Senator CHANDLER:** Mr Collette, was the minister's concern about the 9/11 piece mentioned or raised at the board meeting on the afternoon of Thursday the 13th?

**Mr Collette:** I would certainly have said that the minister had called me, and he questioned both why the piece wasn't mentioned in the brief, as no other piece was, and that he was shocked by the image.

**Senator CHANDLER:** In that board meeting—I've never sat around the board before, so I don't know how these things work—was the proposal that the commission should be rescinded put to the board for agreement, or was there an open discussion in the board meeting about how to deal with this issue?

**Mr Collette:** I might ask my chair to comment here.

**Mr Morgan:** Upon the revelation of that extraordinarily graphic video—and indeed, I understand it was received in the Senate in that vein—and the board being informed of that, everybody immediately realised that we were dealing with something that no-one ever had. This was the first time that the board had known anything



about that particular video. There was an immediate recognition that this was a major thing that had arrived on our doorstep. We were not informed of any risk prior to this; this thing came out of nowhere. And the board was, in the same way, shocked. We realised: (1) this could be a significant and untenable risk to the organisation; (2) it would immediately be conflated into something mainstream in the community of Australia; and (3) as a consequence, it would damage the social license that this organisation has. Bear in mind, Venice Biennale is for all Australians and is indeed representative of Australia, so the taxpayers—our funders—have got a fair amount of equity in that exhibition. We had a lot of discussions in that board meeting. I can say to you that everybody had a chance. As you know, many of the members of the board are from an artistic background, but, as someone said, we were between a rock and a hard place. Really, we only had one alternative, and that was to go forward and consider rescinding the commission.

**Senator HANSON-YOUNG:** Why didn't you have—

**CHAIR:** Senator Hanson-Young, you do not have the call.

**Senator CHANDLER:** Were board members made aware of the fact that the minister was shocked at the 9/11 artwork?

**Mr Morgan:** I think that was communicated, wasn't it Adrian?

**Mr Collette:** Yes, I think so.

**Mr Morgan:** Can I just add that in no way was the board influenced by anything from the minister.

**Senator CHANDLER:** Are there any minutes from the board meeting that can be tabled for the committee?

**Mr Morgan:** No.

**Senator HANSON-YOUNG:** No minutes?

**Mr Morgan:** Not at this particular—

**CHAIR:** Senator Hanson-Young, you don't have the call.

**Senator CHANDLER:** That's all from me.

**Mr Collette:** There would be minutes about the decision.

**Mr Morgan:** I'm sorry; there are minutes.

**Senator CHANDLER:** Can they be provided to the committee?

**Senator HANSON-YOUNG:** We would like them tabled.

**CHAIR:** Senator Faruqi.

**Senator FARUQI:** Mr Collette, you said earlier that you don't judge the artists for Venice Biennale based on their past work. But when you became aware of this particular work, rather than standing up for artistic expression—or for someone you have described as a very respected, recognised artist—you decided to succumb to political and conservative pressure. Now your organisation has sadly joined other organisations who have been silencing, vilifying and sacking Arab, Lebanese, Palestinian, Muslim and non-white artists, academics and writers over the last 16 months and subjecting them to intense scrutiny that we don't see for others; I'll be very honest with that. Do you deny that any racism was involved in the decision to sack Khaled Sabsabi?

**Mr Collette:** I'll take most of that as a comment, rather than a question. I absolutely deny that. I absolutely deny that. To your earlier point about being influenced by this or that media, we live with media all the time. We exert independence of judgement. There are opinions about the work we invest in from the Right and from the Left. That's just the nature of the work we do—

**Senator FARUQI:** Yes, but you said—

**Mr Collette:** and I would absolutely deny that there was any racism in our decision to rescind—criticise us for whatever you like, but that is not the culture of our organisation. Three weeks ago, we were being lampooned in the press for running an antisemitic narrative; now, we will be lampooned for running an anti-Islam narrative. That happens when you actually try to judge the merit and impact of a work of art. On its merits—

**Senator FARUQI:** But you didn't, in this case; you didn't. You sacked the artist, not because of merit—

**Mr Collette:** I've tried—

**Senator FARUQI:** but because of other factors. I will move on, sorry; my time is very limited. Who donates money to the Australian pavilion at the Biennale?

**Mr Collette:** Many, many donors. However—

**Senator FARUQI:** How many donors? And could you provide their names, please, on notice.

**Mr Collette:** I'm very happy to provide their names. Certainly, all the pavilion donor names are on the actual building in Venice, but I am very happy to provide them. We're talking about hundreds and hundreds and hundreds of people who've seen this enterprise through for over 50 years.

**Senator FARUQI:** Sure. Did any of those donors contact either the Creative Australia board or you yourself before this decision to sack Khaled Sabsabi was made?

**Mr Collette:** No.

**Senator FARUQI:** None of them contacted you?

**Mr Collette:** No.

**Senator FARUQI:** Okay, thanks. Thanks, Sarah.

**Senator HANSON-YOUNG:** I still don't understand why the board didn't take the opportunity to hear directly from the artist himself. Why didn't you do that? Why didn't you give the creative team an opportunity to speak to you before you made this extraordinary decision? You're the chairperson, Mr Morgan; I think it's a question that you could answer.

**Mr Morgan:** Could you repeat the question, please.

**Senator HANSON-YOUNG:** Why did the board not give the artist an opportunity—

**CHAIR:** Could you repeat it, not shout it.

**Senator HANSON-YOUNG:** Why did the board not give the artist and the artistic team the opportunity to speak to the board?

**Mr Morgan:** This video landed earlier that afternoon. These things don't simmer; they conflagrate. We considered that this video would become prominent and divisive, and would escalate in an urgent way, an immediate way. To stand and watch is a bit like when the tide goes out before a tidal wave; if you stand and wait, you get overtaken. We took the view, the board took the view, that to do nothing would risk that. It was done with great consideration and, as Mr Collette indicated, with a heavy heart. But the board recognised that this piece of video was a major change that we had to address—

**Senator HANSON-YOUNG:** You said that you were shocked.

**Mr Morgan:** It was done with great consideration, and it was done with great care—

**Senator HANSON-YOUNG:** It wasn't done with great consideration; it was done within an hour and a half. One board member wasn't even there; another board member has now resigned from the board because of the decision—without any legal advice, without even considering the legal obligations and therefore the obligations to the taxpayer. 'Great consideration' is far from it, Mr Morgan; 'great consideration' is perhaps the worst description of the decision, and the process, that this board has made in relation to this. You say that you were shocked—

**Mr Morgan:** Yes.

**Senator HANSON-YOUNG:** But not one person on the board sought to speak to the artistic team about the piece of work. This, of course, wasn't the work that would be exhibited. It's not the piece that's been commissioned. This was something 20 years earlier—which, by the way, has now been seen all over the internet because of the decision that you've made. It has definitely drawn attention to it now, hasn't it?

**Mr Morgan:** Attention was drawn to it in the Senate.

**Senator HANSON-YOUNG:** With all due respect, not many people watch Senate question time. Nobody even knew who Senator Chandler was until this happened.

**Senator Ayres:** You insulted all of us and then just one of us!

**Senator HANSON-YOUNG:** A newly minted arts opposition spokesperson has absolutely made a name for themselves out of this issue, and you've helped that. That's not my point; my point is that it is now an issue of public debate, huge concern within the artistic community and international shame for how Australia has behaved in relation to this. You've definitely drawn attention to it. Was there any consideration by the board as to what your actions would mean—the consequences of your actions, not just the consequences of the artists' work from 20 years prior.

**Mr Morgan:** We recognise the consequences in terms of the wider community. We were concerned about the rapid escalation of debate, division and attention that would have been drawn to this had we continued. We, of course, recognise on the other side of the coin that there would be great disappointment and anguish about rescinding the commission. We totally accept that, but we have an obligation, as I think Mr Collette indicated, to

the wider Australian community. This is, after all, an exhibition. It is the Australian pavilion at Venice. We took the view that, with this piece of video out there and the resultant engagement from the wider community, this would turn into a very major divisive issue in the space.

**Senator HANSON-YOUNG:** It has definitely done that, Mr Morgan. Could I ask, in relation to the contract itself—

**CHAIR:** I need to rotate the call, Senator Hanson-Young, then I can come back to you.

**Senator HANSON-YOUNG:** Okay.

**CHAIR:** Senator Chandler.

**Senator CHANDLER:** Thank you very much, Chair. I want to turn to a slightly different issue now—the board of the Music Australia Council. That sits within your remit, doesn't it, Mr Collette?

**Mr Collette:** Yes, it does.

**Senator CHANDLER:** Recently, I've seen some media reporting around some comments in the public domain by Fred Leone. He's a board member of the Music Australia Council, isn't he?

**Mr Collette:** He's a council member, yes.

**Senator CHANDLER:** Could you explain to the committee exactly what that is?

**Mr Collette:** Music Australia and—soon to be—Writing Australia, and indeed Creative Workplaces Australia, which are the new bodies established within Creative Australia, have specific remits to advise us on the strategies we develop, in this case, for contemporary music; it's a dedicated contemporary music fund. The minister appointed a council for each of those bodies. They are an advisory council. There's only one accountable authority within Creative Australia and that's the board, of which Mr Morgan is the chair—and I chair the Music Australia Council. Their work is to advise us on the strategy to develop the contemporary Australian music business. It's an advisory capacity but it's advice we take extremely seriously, and it also helps guide our investments.

**Senator CHANDLER:** Mr Leone has said some pretty unsavoury things about Jewish Australians on his social media accounts—is that correct?

**Mr Collette:** I have been made aware of those, yes.

**Senator CHANDLER:** Who made you aware of them?

**Mr Collette:** I think it would have come from our media team, our comms team or our public affairs team.

**Senator CHANDLER:** They've been busy, haven't they? Is Minister Burke aware of those social media posts, Senator Ayres?

**Senator Ayres:** I can tell you that he is now. I'm not sure when he became aware of those.

**Senator CHANDLER:** He's aware of them now, as in tonight, or he was aware of them when I first read about them in the *Herald Sun* earlier in February—or somewhere between those two dates?

**Senator Ayres:** If I can come back to you later on, I will. I don't know the answer to that question.

**Senator CHANDLER:** Has Creative Australia provided a brief to the minister on this issue, Mr Collette?

**Mr Collette:** No, we haven't.

**Senator CHANDLER:** Why not?

**Mr Collette:** Because I became aware of some of these personal social media posts of Mr Leone. They were not in line with the social media policy, so I talked to Mr Leone about them, and he agreed to take down the posts, to issue a statement—which he has done—and not to comment any further.

**Senator CHANDLER:** When did you become aware of the posts on Fred Leone's pages?

**Mr Collette:** I would have to check the date. This was at least a month ago—probably more.

**Senator CHANDLER:** When did you speak to Mr Leone about those posts?

**Mr Collette:** Straightaway.

**Senator CHANDLER:** As in you effectively simultaneously saw them and picked up the phone?

**Mr Collette:** I became aware of the posts. They were clearly not in line with our social and media policy. I contacted Mr Leone, and he and I had several conversations.

**Senator CHANDLER:** Has Mr Leone apologised for his comments?

**Mr Collette:** I'm not aware of him apologising.

**Senator CHANDLER:** Did you instruct him to apologise for his comments?

**Mr Collette:** No, I asked him to stop making the comments, because he was an officer of Creative Australia, and he agreed to do that and agreed to issue a statement.

**Senator CHANDLER:** Did you provide any advice to him as to what should be in that statement?

**Mr Collette:** No, I didn't offer advice. He wrote the statement. He sent it to me to have a look at. I did, and he published the statement.

**Senator CHANDLER:** Minister, in the article in the *Herald Sun*, there's a reference to Mr Leone's comments about boycotting Jewish people—'down with Jewish people'. Do you think it's appropriate for somebody who has made those comments on social media and not apologised for them to remain in a taxpayer funded advisory role?

**Mr Collette:** Are you—

**Senator Ayres:** Sorry. That was a question to me, I think. I'm very happy to have you supplement. Is this the article published by Ms Douglas?

**Senator CHANDLER:** Correct.

**Senator Ayres:** I certainly think that those comments—I'm trying to find the right words—are dreadful. As I understand it, the appointment has been made. It's an appointment for a two-year term. We, of course, completely condemn antisemitic comments, remarks or posts. As I understand it, it's a statutory appointment. Unless the person acts unlawfully, they remain in the position. We do expect board members, whether they are board members of the whole organisation or in the sub-boards, to behave consistently with the policies and governance requirements of the organisations that they serve.

**Senator CHANDLER:** Is it your view that Mr Leone has acted consistently with those policies in this instance?

**Senator Ayres:** Clearly not.

**Senator CHANDLER:** So why is he still in the position?

**Senator Ayres:** He has taken some steps that have been requested of him by the chair and the CEO.

**Senator CHANDLER:** Is the minister satisfied that that's good enough?

**Senator Ayres:** All I can say is what I can see in front of me. It is not possible for—one of the features of this organisation is that it is an independent statutory authority. Appointments have a duration and this appointment, at least—I don't know what the duration of the other appointments are—has a two-year duration. The government doesn't have the power to intervene in those appointments. The minister has, I think, a view that would be consistent with almost everybody across the parliament, that antisemitic comments—and those are antisemitic comments—are reprehensible.

**Senator CHANDLER:** Why didn't Minister Burke provide that comment to the *Herald Sun*, then? It specifically says here, in this article, that his office was contacted for comment.

**CHAIR:** Last question.

**Senator Ayres:** It's a matter for the minister which media he engages with and at what time. It may or may not have been convenient to engage with that particular journalist at that particular time. That's a matter for him. You don't have to comment or swing at every ball that's sent to you. You comment when it's appropriate, when it's helpful and when it's in the interest of the work that you're trying to achieve.

**Senator CHANDLER:** The minister didn't think it would have been helpful to comment on this particular issue?

**Senator Ayres:** I don't know what the minister thought. I would just say that it's not automatic that you comment on everything that is put to you.

**Senator CHANDLER:** Did Minister Burke—

**CHAIR:** As I said, Senator Chandler, we are going to rotate the call.

**Senator CHANDLER:** I just have one more question. Did Minister Burke appoint Mr Leone?

**Senator Ayres:** The Music Australia board was created in August 2023 by the minister and Mr Leone was appointed, as I understand it, at that time for a two-year term.

**CHAIR:** Thank you. Minister, the idea of artistic independence is something that the Labor government, and the Labor Party in general, supports intently. If we go back to 2014, when the Australia Council funding was cut and a catalyst was created by the coalition government of the day, there was a very different approach adopted

towards the arts—one of significantly less money and focus, but also with a preference for decisions on funding to be made by the minister of the day.

This is something that has been brought up with me over the last two weeks quite a lot, that we should go back to having ministerial intervention and that the minister should intervene in this scenario. Do you have a recollection of the 2014 Australia Council funding cuts and that move away from artistic independence to ministerial direction for what Australian people should view and engage with in terms of art in this country?

**Senator Ayres:** I do. I have listened carefully to Mr Collette's account of the body of work that Creative Australia does. The principle of that work being conducted by an independent statutory authority in the way that he has described is certainly very different from what the arts community got from both Mr Brandis and the Abbott, Turnbull and Morrison governments. I've listened carefully to his account of the review that they are going to undertake and the distinction that he draws between this decision and a set of other decisions. I think that shows that the board and the management have taken stock of this decision and are going to consider it in terms of their future governance and decision-making. I think that's a good thing. I'm sure the minister looks forward to seeing the board's consideration of all of those questions.

If I step away from this set of issues for a second, this is a government that believes that a vibrant, artistic community makes Australia stronger and a better place to live, and the arts are really important to all Australians no matter where you live. There is a strong record of achievement both in terms of promoting artistic endeavours and supporting musicians and creative artists in all of the media to strengthen the artistic community and also equity measures to make sure that Australians across the board have access to the arts and as much capacity as possible to participate in the arts. That is a good thing. I won't go through a long list of the kinds of things that the government has done in this area, but this is a minister who is very committed to the arts more broadly in a genuine way and that has really borne fruit with the strength and commitment to Australian arts.

**CHAIR:** Point well made. The minister has worked very hard to bring in the Revive policy to restore funding to the arts and to return to the core principle of arms-length funding for artists and art organisations. Senator Hanson-Young.

**Senator HANSON-YOUNG:** Mr Collette, I just listened to the last lot of questioning from Senator Chandler over here, and it strikes me that the decision that you and the board made in relation to the Biennale piece has opened the door for the artistic community and individual artists from here on in to be used as political fodder and to be attacked by conservative politicians estimates after estimates. That's what's going to happen here now. The second round's just started. I say this in all sincerity. I've sat through hours of this type of behaviour in relation to the ABC and individual journalists and how they are treated by certain sides of politics and how ABC journalists and staff are used as punching bags for political fodder, first by News Corp and then by their mouthpieces in here.

I think the very, very dangerous and sad precedent that has been set by the decision that the board made two weeks ago in haste is that you've opened the door to this type of behaviour now for Australian artists. Have you considered what this decision has actually done to the artistic community and arts policy in this country, the legacy that this is going to leave now and the destruction of Creative Australia and the work that the agency has to do? Have you considered the implications? I'm asking you this as the CEO.

**Mr Collette:** I have felt very strongly the concern that the artistic community has about this decision. I think we have got a huge job of work to do to restore their confidence in our ability to make independent, expert-informed, arms-length decisions. But I can assure you that no other part of our grant making investment decisions will be weakened. We have very strict protocols around conflict of interest management, around being guided by experts and peers, and we will continue to do that. I think the sector will see that all the things that make Creative Australia dynamic and strong still exist.

Remember, because of the investment made in us through the National Cultural Policy, we were and still are experiencing a period of record growth. I'm not talking about growth for us; I'm talking about our ability to invest in the artistic sector and the artistic industry in many different kinds of ways—through our grant making, certainly, to artists and organisations; co-investing with philanthropists; co-investing with commercial interests; and, in the case of Music Australia and Writing Australia, investing in the industry, all with the artist firmly at the centre. It was a very new and dynamic way to think about the investments you make in the industry. None of that will change.

I understand and I feel deeply that there are real questions of confidence given this very serious decision, but I have absolute confidence in the organisation to continue the work it does to serve the sector. I am completely committed to it and to seeing it through this very challenging period. I don't underestimate what you say. I do understand the resonance of this.

**Senator HANSON-YOUNG:** The message that artists and the creative sector have had out of this over the last two weeks is that if it gets too hard, if it's too challenging or if it's too political, you don't have their backs, which is the exact opposite of the mandate of Creative Australia. I've just heard what you've said. You have said that there are real questions in relation to the confidence in the organisation.

**Mr Collette:** I understand that there would be questions, but we have always had the artists' backs, and that is not going to change.

**Senator HANSON-YOUNG:** But you've just proven otherwise. You have proven otherwise. You failed. You failed to do the due diligence, you failed to do the governance and you failed to look after the artists. I would ask you, Mr Collette: have you considered resigning?

**Mr Collette:** That's not the way I work. That's really not the way I work. If I am CEO of an organisation—and I have been of other organisations—I take their welfare to heart. I'm sorry if this decision is misunderstood by the sector, but I don't back away from this stuff. I work day in, day out for the welfare of this organisation, and I will continue to do so. If it is in someone else's gift to say, 'Well, we think you should move on,' so be it, but it certainly won't be something I do.

**Senator HANSON-YOUNG:** Mr Morgan, have you considered your position as the chair, given the lack of due diligence, the lack of governance and the haste with which this decision was made and the problems it has created?

**Mr Morgan:** No.

**Senator HANSON-YOUNG:** What did you think when one of your board members did decide to resign given the decisions?

**Mr Morgan:** I think the director who resigned did, in her letter of resignation, acknowledge that the decision was made in good faith. Her decision was made in good faith when she was on the board.

**Senator HANSON-YOUNG:** Are there any other board members who have reconsidered whether this was the right decision?

**Mr Morgan:** Not to my knowledge.

**Senator HANSON-YOUNG:** I want to ask about the contract that was terminated as of only 4.30 today. I think that was the evidence that you gave earlier, Mr Collette. What are the legal implications of that? Does that have to be paid out?

**Mr Collette:** We certainly recognise our obligations to the artist and the curator under that contract. We will discuss that with Khaled Sabsabi and Michael D'Agostino and arrive at an agreement. We absolutely acknowledge that we have financial obligations to the artist and the curator.

**Senator HANSON-YOUNG:** So the taxpayer has to fund it anyway.

**Mr Collette:** The taxpayer funds everything we do, yes.

**Senator HANSON-YOUNG:** In relation to what will happen for the pavilion going forward, we understand that a number of artists have said that they won't participate at all, that they wouldn't participate given how they see their peer and colleagues have been treated. Former recipients have said this is an appalling decision. Four thousand signatories from artists and members of the artistic community condemned this decision. How will you appoint a new artistic team for the 2026 biennale?

**Mr Collette:** We will have to consider that very carefully.

**Senator HANSON-YOUNG:** Have there been any requests for people to put forward applications? Have there been any conversations with other artists?

**Mr Collette:** No.

**Senator HANSON-YOUNG:** Is there a likelihood that the pavilion will remain empty?

**Mr Collette:** There is a possibility that the pavilion will remain empty, but we will be doing everything we can, when we draw breath, to think about how we use what is a public pavilion to mount something that is worthy in terms of its representation of Australia. But we have to draw breath and work out how we are going to approach this singular situation.

**CHAIR:** Senator Chandler.

**Senator CHANDLER:** I have a couple more questions to round this out. On the issue of the external review, when do you think that will be concluded?

**Mr Morgan:** We haven't determined that yet. As Mr Collette indicated, it's the subject of an RFP. When we finalise that and that's all set, with that reviewer we'll work out the timetable that would be appropriate to do the work that they envisage.

**Senator CHANDLER:** Would it be fair to assume that you will wait for that review to be completed before undertaking the process that Senator Hanson Young just described—selecting a new artist for the biennale for next year? Will we be going through the process to select another artist with the process that you're using still under external review?

**Mr Morgan:** I think that's still to be determined, but I go back to the point. The process that we have had in place has worked for the last three biennales. Clearly, we now need to review that process properly and comprehensively, and it's better to do that than to do it in a way that isn't commensurate with the task that need to be done.

**Senator CHANDLER:** Indeed, but we'd also like to know that the same issues aren't going to arise from another biennale selection process that you've undertaken at the same time.

**Mr Collette:** The reality is that these things will have to happen in parallel. We will have to address how we present the Australian pavilion in 2026. That thinking has to start now. We are very close to procuring a successful tenderer for the review, and I can't imagine the review will take any more than a few weeks. While it is incredibly important in the depth of its consideration, the ground it has to cover is not extensive in terms of the executive management and governance process of the Venice commission in itself. So I think in the real world these will have to run parallel. We will learn whatever we can from the review process, but the urgent thinking is about what we do with the Australian pavilion in 2026.

**Senator CHANDLER:** Do you have a ballpark figure on how much you anticipate the external review to cost?

**Mr Collette:** Not at this point, no.

**Senator CHANDLER:** On the conflicts of interest process—and I know that we can't be here all night—at a high level, you obviously have a policy within Creative Australia for managing conflicts of interest. How does that process play out in practice when you're undertaking a selection process or a grant fund? Is it enough for somebody to declare a conflict and then continue on as a member of the selection panel, say, or do they declare a conflict and remove themselves from that process? Could you answer at a high level because I do have one more question?

**Mr Collette:** Peers or industry advisers cannot participate in an assessment panel that is assessing their own grant or a grant of which they are a major beneficiary. If they're an applicant or a beneficiary of a grant, they can't be on a panel, even if they're qualified for that panel, remembering that we have a pool of 620 peers who we rotate over four years. That is why you will see some of the same names appear in that period, and then every four years we replenish that pool of industry experts. If they have a perceived conflict or an actual conflict with someone else who is being assessed, they have to absent themselves from that decision. They can be on the panel, but they have to absent themselves from that decision.

You have to remember we are talking about an industry which is deeply networked, so people do know each other. For all our heads of practice, whether it's dance, visual arts, theatre or performing arts generally, their job is to be deeply networked with the sector so they can give us the best possible advice. So we have to be extremely rigorous on how we manage these conflicts because qualified people will have them.

**Senator CHANDLER:** So there were no conflicts of interest declared in relation to the selection of Mr Sabsabi?

**Mr Collette:** I was told recently that, of the 51 applications which were narrowed down to six on the shortlist, none of the industry advisers who advised me or our head of visual arts had conflicts with evaluating the work of any of the six shortlistees.

**Senator CHANDLER:** But the 51 that weren't?

**Mr Collette:** There were 51 entries into it, so at that stage to have those assessed we had something like 25 or 26 declared conflicts where people had to absent themselves from the decision.

**Senator CHANDLER:** Minister, going back to the question about Mr Leone, you've made your views clear on some of his comments this evening. Mr Leone was appointed by Minister Burke, as we discussed earlier. Explain to me exactly why the minister can't remove him from his advisory position.

**Senator Ayres:** I'm advised it's a statutory appointment. There is a process that you would expect to be undertaken. I'll come to your question, but expressions of interest are sought from qualified people, and there is

not, as I understand it, a capacity for the minister to interfere with that process. Once somebody is appointed for the term, that is the term they are appointed for. That's the advice I have. We'll provide anything else that we can on notice. I'm not an expert on this.

**Senator CHANDLER:** I recognise that you're representing the minister and that it's not your portfolio. If it's the case that you can't sack these people once they're in positions, then wouldn't you demand a bit more than them deleting the incriminating evidence from social media? Wouldn't you be asking for a public apology from the individual? If there's literally nothing you can do apart from telling them to wipe their social media, I think that's remarkable.

**Senator Ayres:** Again, if there's anything more on that that we can provide you on notice, we will. But I think that the principle of this organisation, as a statutory authority dealing with these questions without interference, particularly after a period when there was so much interference—not, as I understand it, in relation to questions like this—but not motivated by issues of trying to strengthen the arts community or the public interest.

**Senator CHANDLER:** It's taxpayer money we're talking about.

**Senator Ayres:** It was motivated by more venal concerns than that. There has been, I think, a strong consensus across the community that that is the proper way to deal with these questions. As I've said, we've taken on notice when it was that the minister became aware of these questions, but the view of the government in relation to those comments is very clear, and we don't resile from any of that.

**CHAIR:** I'll get you to wrap up now.

**Senator CHANDLER:** Just so I'm very clear: a board member can post whatever they like on social media, no matter how unsavoury it is, and can't be moved on from their role?

**Senator Ayres:** As I've said, if there's anything different to how I understand the way this works, we'll come back to you. But those comments are reprehensible.

**Senator CHANDLER:** And you can't do anything about it.

**Senator Ayres:** There are all sorts of things that I and other members of the government wish that people would not say or do in this area. These questions of social cohesion are absolutely central to the government's considerations more broadly. I've seen the comments, as referred to in the paper. I have no reason to doubt that's what was put. I've listened to the evidence from the CEO that seems consistent with that. It is reprehensible. It would be far better if those comments had never been made. It would be even better than that if they were never thought. That's a pretty unhappy state of affairs.

**CHAIR:** We'll go to Senator Davey for the shortest possible moment.

**Senator DAVEY:** It will be for anyone watching on tonight. I want to come back to the actual core business of Creative Australia. Whilst organising the Venice Biennale is one of the most prestigious roles and positions for an artist in Australia to get appointed to, it is only a fraction of what Creative Australia does. I've certainly seen you, Mr Collette, sit there and talk about grants and face some pretty uncomfortable questions over the years about different grants that have gone out. I think that you stand on your record. I'm happy for you to take on notice my normal questions about funding that's going to regional arts organisations. Also, now that we're in the new world, under the national cultural policy—where we've got Music Australia, Writing Australia and the Cultural Fund—are we now reporting how grants are going out under those different boards, and are we collecting the data that I love so much about how much is going to urban and how much is going to regional? You normally provide it in your opening statement for me, but I totally understand that tonight was exceptional, and I understand why you addressed the issues that you did address in your opening statement. I appreciate that.

**Mr Collette:** Of course. In answer to the question—and I may have said this before—in terms of our investment in regional arts in 2023-24—remembering that we've changed our methodology and that these organisations have to be based in the regions, so we're not talking about visits—

**Senator DAVEY:** Yes. I'm very happy about that.

**Mr Collette:** it has increased by about \$6 million to \$28.4 million in that calendar year, and I think it will certainly increase from that. To your point about the new organisations and structures within Creative Australia: yes, Music Australia and, I imagine, Writing Australia will be making direct investments in regional artists and organisations, so we'll aggregate that. Regarding the additional funding that we have—which I think, by year 4, will top out at about an extra \$78 million a year—we'll be very careful to show how much of that is flowing directly to the regions by aggregating those investments made at the discretion of those individual bodies.

**Senator DAVEY:** Okay, great. And you can provide me with the further breakdown on notice.



**Mr Collette:** This is really the first year of operations, so it would make sense to do it at the end of this financial year to see how it's trending.

**Senator DAVEY:** Okay. So you'll come prepared to the next estimates after July.

**Mr Collette:** We'll do some work, yes.

**Senator DAVEY:** Thank you very much.

**CHAIR:** Senator Hanson-Young.

**Senator HANSON-YOUNG:** Mr Collette, given how this has all unfolded, will you apologise to Khaled and to Michael for the pain, for the suffering and for the damage that has been done through this whole saga to their careers? Will you apologise?

**Mr Collette:** I would want to have very close conversations with Khaled and Michael. I'm not going to comment on those publicly. We had very close conversations through the selection process. I'm aware of their work; I'm aware of Michael's work as a curator and a fellow professional. So—

**Senator HANSON-YOUNG:** Let me ask you, as the CEO of Creative Australia and the chairman of the board: will the board and Creative Australia apologise to the artistic team for what has transpired and the mess that this has created? Will you apologise to them?

**Mr Morgan:** I think, as Mr Collette said, that the communications with the artists will go through the CEO.

**Senator HANSON-YOUNG:** So you won't issue a public apology?

**Mr Collette:** I'd want to talk to Khaled and Michael first.

**Senator HANSON-YOUNG:** That is absolutely gutless, I'd just say—gutless.

**CHAIR:** Senator Hanson-Young, can you please withdraw that.

**Senator HANSON-YOUNG:** I think that is very weak. I think that is extremely weak.

**CHAIR:** Thank you for your attendance. We'll dismiss you for the evening.

**Department of Infrastructure, Transport, Regional Development, Communications and the Arts**

[22:24]

**CHAIR:** I call officers from the department in relation to outcome 6, Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression, program 6.1, Arts and cultural development. I will also advise that we have already released the National Gallery of Australia, and we both thank them and apologise for bringing them along this evening. Before you get too comfy, I will just advise that the committee has determined that we will adjourn for the night, and everybody can go home. Thank you.

**Committee adjourned at 22:25**