

The Senate

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Environment and Communications  
Legislation Committee

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Additional estimates 2014–15

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# Membership of the Committee

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Senator Anne Ruston, Chair	LP, South Australia
Senator Anne Urquhart, Deputy Chair	ALP, Tasmania
Senator James McGrath	LP, Queensland
Senator the Hon Lisa Singh	ALP, Tasmania
Senator the Hon Arthur Sinodinos (from 3 March 2015)	LP, New South Wales
Senator Larissa Waters	AG, Queensland

## *Substitute member*

Senator Sam Dastyari replaced Senator the Hon Lisa Singh on 19 March 2015

## *Former member*

Senate Matthew Canavan (to 3 March 2015)	NATS, Queensland
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## **Secretariat**

Ms Christine McDonald, Secretary

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# Chapter 1

## Additional Estimates 2014–15

### Introduction

1.1 On 12 February 2015, the Senate referred the following to the Senate Environment and Communications Legislation Committee (the committee):

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2015 [Appropriation Bill (No. 3) 2014–15];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2015 [Appropriation Bill (No. 4) 2014–15];
- Particulars of proposed additional expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2015 [Appropriation (Parliamentary Departments) Bill (No. 2) 2014–15]; and
- Final Budget Outcome 2013–14.<sup>1</sup>

1.2 A reporting date of 17 March 2015 was set for the 2014–15 Additional estimates.<sup>2</sup> On 16 March 2015, the Senate agreed to extend the tabling date for the committee's report to 20 April 2015 to allow the committee to complete its examination of the expenditure and outcomes for the Environment and Communications portfolios.<sup>3</sup> On 20 April 2015, the committee presented an interim report and sought a further extension to 15 May 2015 to complete its examination of the Department of the Environment.<sup>4</sup>

### Portfolio coverage

1.3 The committee has responsibility for examining the expenditure and outcomes of the following:

- Environment Portfolio; and
- Communications Portfolio.<sup>5</sup>

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1 *Journals of the Senate*, No. 78, 12 February 2015, p. 2178.

2 *Journals of the Senate*, No. 76, 10 February 2015, p. 2116.

3 *Journals of the Senate*, No. 83, 16 March 2015, p. 2283.

4 *Journals of the Senate*, No. 92, 12 May 2015, p. 2555.

5 *Journals of the Senate*, No. 1, 12 November 2013, p. 16.

## Hearings

1.4 The committee's examination of the Environment portfolio commenced on Monday, 23 February 2015. The committee agreed, pursuant to standing order 26(4), to hold a further hearing on Monday, 23 March 2015 to examine programs: 1.1: Sustainable Management of Natural Resources and the Environment; 1.4: Conservation of Australia's Heritage and the Environment; 1.5: Environmental Regulation; and 1.6: Management of Hazardous Wastes, Substances and Pollutants. However, due to the death on Friday, 20 March 2015 of former Prime Minister the Hon John Malcolm Fraser AC CH the committee agreed, as a mark of respect, to postpone the further hearing to Monday, 11 May 2015.

1.5 The committee's examination of the Communications portfolio took place on Tuesday, 24 February 2015 with the Department of Communications and the Special Broadcasting Service being recalled on Thursday, 19 March 2015.

1.6 The committee took evidence from Senator the Hon Simon Birmingham, Assistant Minister for Education and Training representing the Minister for the Environment; and Senator the Hon Mitch Fifield, Assistant Minister for Social Services, representing the Minister for Communications, together with officers of relevant departments and agencies. The committee expresses its appreciation for the assistance of the Ministers, Departmental Secretaries and the officers who appeared before it.

1.7 The Sydney Harbour Federation Trust was not required to attend.

## Questions on notice and Hansard Transcripts

1.8 In accordance with standing order 26(9)(a), the committee set Friday, 10 April 2015, as the date for the return of written answers, or additional information, in response to questions placed on notice during the hearings of 23–24 February 2015. The committee set Friday, 24 April 2015, as the date for the return of written answers taken on notice during the hearing on 19 March 2015.

1.9 Written answers and information provided to the committee in response to questions on notice arising from the hearings are tabled in the Senate and posted on the committee's web page. Links to the transcripts of these public hearings and to answers and additional information are available on the Internet at:

[http://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/ecctte/estimates/ad1415/index](http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ecctte/estimates/ad1415/index)

## Answers to questions on notice – Supplementary Budget estimates 2014–15

1.10 The committee's examination of the Department of the Environment and agencies for the Supplementary Budget estimates took place on 20 and 30 October 2014. The committee set Friday, 12 December 2014, as the date for return of answers to questions on notice.



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1.11 As a mark of respect following the death of former Prime Minister the Hon Gough Whitlam AC QC, the committee adjourned its examination of the Communications portfolio on 21 October 2014. Subsequently, the committee held hearings on 20 and 25 November and 1 December 2014. The committee set Friday, 9 January 2015, as the date for the return of answers to questions on notice for the Communications portfolio.

***Timeliness of answers to questions on notice***

1.12 By Friday, 21 December 2014, the committee had received the majority of the answers to questions on notice from the Environment portfolio. All answers were provided by 20 February 2015.

1.13 No answers to questions on notice from the Communications portfolio were received by the due date of Friday, 9 January 2015. The first answers were received on 3 February 2015. Answers to just over half of the questions on notice were provided by 16 February 2015. Answers to 157 questions were provided between 17 and 20 February and 138 answers provided between 23 and 25 February 2015 including 84 on the day of the committee's examination of the Communications portfolio Additional estimates. The final nine answers from the Communications portfolio were received by the committee on 4 March and 11 March 2015.

1.14 Australia Post was one of the agencies whose answers to questions on notice were not received by the due date of 9 January 2015. The committee sought an explanation from Australia Post as to why 52 answers were provided during the morning of the 24 February 2015. Mr Ahmed Fahour, Managing Director and Chief Executive Officer, Australia Post, responded that 'I do not have a satisfactory answer for you now. I can assure you, without doing an buck-passing to anybody, that Australia Post takes them very seriously'.<sup>6</sup>

1.15 In answer to question on notice No. 13 for the Additional estimates, Australia Post provided further information on the timeframe for the provision of answers:

The final index of Questions on Notice from the November hearing was confirmed by the Committee and forwarded to Australia Post on 16 December 2014.

Australia Post provided draft responses to the Department in batches between 19 December 2014 and 11 February 2015. Further clarification from Australia Post on some draft responses was sought by the Department on 13 February 2015, to which final responses were provided to the Department on 16 February 2015.

Departmental cleared responses were provided to the Minister's Office between 11 February and 20 February 2015.

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6 Mr Ahmed Fahour, Managing Director and Chief Executive Officer, Australia Post, *Proof Committee Hansard*, 24 February 2015, p. 24.

All responses were lodged with the Committee between 13 February and 24 February 2015.<sup>7</sup>

1.16 The committee notes that the confirmation of the index of questions, following compilation by the portfolio departments, is an administrative matter; it should not delay the provision of answers to questions on notice, particularly those taken on notice during hearings. Indeed, the committee notes that on occasion answers have been provided to the committee later on the day of a hearing.

1.17 At the committee hearings of 20 November and 1 December, a total of 64 questions were taken on notice by agencies in the Communications portfolio: Australia Post (14 questions), NBN Co (12 questions) and the Special Broadcasting Services (10 questions) and the Australian Broadcasting Corporation (28 questions). Although these questions were taken on notice during the committee's hearings, no answers were received by the due date; 41 answers were received between 5 and 20 February 2015. A further 20 answers were provided between 23 and 25 February with the final three answers being received from SBS on 4 March 2015. The answers to the Department's 11 questions on notice taken at hearings were received in early February.

1.18 The committee reiterates the importance of the provision of answers to questions on notice and its expectation that answers will be provided by the due date. The committee often uses answers as a basis for questions at the next estimates round and therefore the timely provision of answers assists in the committee's oversight of departments and agencies.

1.19 The committee acknowledges that answers to questions on notice from the Additional estimates hearings have been received in a more timely manner. The committee received 81 of 136 answers arising from the Environment portfolio the hearing of 23 February by the due date and the Communications portfolio provided 17 of 74 answers arising from the hearing of 24 February and 19 March by the due date. At the end of April 2015, 56 questions remained outstanding from both portfolios.

### ***Claims of commercial confidentiality***

1.20 The committee notes that, in a large number of answers to questions on notice, information was not provided in answer to questions on notice as it was claimed to be 'commercial-in-confidence'. This was particularly notable in answers from agencies in the Communications portfolio. The committee notes that in several answers some indication as to the potential harm of providing the information was given. However, most answers did not provide any basis for a claim of confidentiality to allow the committee to consider whether it should require the answer or should not press the question.

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7 Additional Estimates 2014–15, Australia Post, *Answer to question on notice No. 13*.

1.21 The committee draws to the attention of departments and agencies the Senate Procedural Order of Continuing Effect No. 11 of 30 October 2003 which states that:

The Senate and Senate committees shall not entertain any claim to withhold information from the Senate or a committee on the grounds that it is commercial-in-confidence, unless the claim is made by a minister and is accompanied by a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure of the information.<sup>8</sup>

1.22 In answer to question on notice No. 112, NBN Co relied on Procedural Order No. 11 to not provide commercial-in-confidence information relating to the cost of construction contracts. NBN Co stated:

NBN Co relies on Procedural Order 11 of the Senate in this instance and maintains that the estimated value for each of these contracts is commercial in confidence information which, if released, could cause commercial harm to the company or its suppliers. Ultimately, harm to NBN Co is harm to the taxpayers of Australia. NBN Co does not rely on the doctrine of public interest immunity in this instance.<sup>9</sup>

1.23 The committee notes that this is a misinterpretation of Procedural Order No. 11; the order requires the minister to set out the harm that may result from disclosure of the information. The matter was pursued further during the Additional estimates hearing.<sup>10</sup> The Minister for Communications, the Hon Malcolm Turnbull MP, subsequently provided the committee with a letter from NBN Co outlining the basis for this claim of confidentiality.<sup>11</sup>

1.24 During the hearing of 20 November 2014, the committee sought information relating to franchisees from Australia Post. Australia Post requested that the information be provided confidentially. As all evidence relating to estimates, including answers to questions on notice, must be in public session, the committee agreed to receive this information under its power (standing order 25(2)) to inquiry into the performance of departments and agencies.<sup>12</sup>

### ***Information provided in answers***

1.25 The committee acknowledges that the information requested by the committee is often extensive. However, the committee expects that every effort is made to provide an answer which accurately reflects the question asked. As a case in point, the

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8 The Senate, *Standing Orders and other orders of the Senate*, February 2014, p. 126.

9 Supplementary Budget Estimates 2014–15, NBN Co, *Answer to question on notice No. 112*.

10 Supplementary Budget Estimates 2014–15,

11 Minister for Communications, the Hon Malcolm Turnbull MP, correspondence dated 4 March 2015.

12 *Proof Committee Hansard*, 24 February 2015, p. 31.

committee notes that at the Supplementary Budget estimates, Australia Post was requested to provide information about mail volumes.<sup>13</sup> In its answers, Australia Post provided mail volumes for the reserved service but did not provide total mail volumes or the volume of other mail categories as clearly requested in question No. 388.<sup>14</sup> Consequently, at the Additional estimates, a further question on notice was put to Australia Post.

1.26 Australia Post's answer was received on 13 April 2015. The answer provides a further breakdown of the reserved service mail volumes but again did not provide the volumes of other mail sought. The answer from Australia Post states that:

The level of information being sought is not made publicly available by Australia Post. As such, please find below a further breakdown of our reserved service letter volumes to a level that is disclosed publicly through ACCC notifications and Recording Keeping Rules Reports.<sup>15</sup>

1.27 The committee notes total mail volumes were available in Australia Post's annual reports for many years: the committee was able to find a range of information on mail volumes for decades. However, this information was not provided in the latest (2013–14) annual report. The committee considers that the explanation provided by Australia Post as to why mail volumes are not available is inadequate. It also shows a lack of understanding of the importance of transparency in reporting on the performance of the postal network particularly at a time when the Parliament will be considering significant changes to the postal framework.

1.28 The committee will pursue this matter further with Australia Post.

### **Senators' guidance document**

1.29 The committee would again like to thank the Department of the Environment for providing a 'guidance document' for the Additional estimates round. The guidance document provided a comprehensive overview of the department's outcome structure and was very helpful to committee members in establishing the correct area in which to raise their questions.

### **Record of proceedings**

1.30 This report does not attempt to analyse the evidence presented during the hearings. However, it does provide a brief list of some of the key issues that were covered by the committee for each portfolio.

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13 *Committee Hansard*, 20 November 2014, pp 111–12; Australia Post, *Question on notice No. 388*.

14 Supplementary Budget Estimates 2014–15, Australia Post, *Answer to question on notice No. 314 and No. 388*.

15 Additional Estimates 2014–15, Australia Post, *Answer to question on notice No. 66*.

**Note on references and additional information**

1.31 References to the Hansard transcript are to the proof Hansard; page numbers may vary between the proof and official Hansard transcript.

1.32 Copies of the Hansard transcripts, documents tabled at the hearings, and additional information received after the hearings are tabled in the Senate and available on the committee's website.



## Chapter 2

### Portfolio specific issues

2.1 This chapter provides an overview of some of the matters raised during the committee's hearings on the additional estimates 2014–15. The discussion follows the outcome and agency structure.

#### Environment Portfolio

##### *Department of the Environment*

2.2 The committee opened the hearing with the Department of Environment by asking general questions about:

- the department's linkages with the Department of Agriculture on biosecurity matters (pp 5–6);
- staffing reductions in the department as a consequence of voluntary redundancies and natural attrition (pp 6–7);
- the current number of non-ongoing staff in the department (pp 7–8); and
- the register of environmental organisations (pp 9–12).

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

2.3 The committee called officers from the department in relation to Program 1.2: Environmental Information and Research. The committee discussed with officers the grants awarded under the National Environmental Science Program and were informed that grants had been provided to the following six research hubs:

1. Earth Systems;
2. Clean Air and Urban Landscapes;
3. Threatened Species Recovery;
4. Northern Australia Environmental Resources;
5. Tropical Water Quality; and
6. Marine Biodiversity.<sup>1</sup>

2.4 Officers were called in relation to Program 1.3: Carbon Pollution Reduction—Land Sector Initiatives. The discussion addressed the incorporation of climate change adaptation and mitigation approaches into the regional plans of National Resource Management organisations (pp 62–63).

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1 *Proof Committee Hansard*, 23 February 2015, pp 61–62.

*Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change and contribute to the negotiation of an effective global solution to climate change, through developing and implementing a national response to climate change*

2.5 Officers from the department were called in relation to Program 2.1: Reducing Australia's greenhouse gas emissions. Matters raised included:

- policy aspects of the Emissions Reduction Fund (pp 63–64);
- the timing of the government's response to the Warburton Review (p. 65);
- the reduction in electricity prices due to the repeal of the carbon tax (pp 65–66);
- modelling of the Direct Action Plan (p. 66); and
- the Emission Reduction Fund auctions (pp 68–69).

2.6 In relation to Program 2.2: Adapting to Climate Change, matters raised included an overview of the department's adaptation work (pp 76–78) and staffing changes (p. 78).

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

2.7 Officers from the department were called in relation to Program 3.1: Antarctica: Science, Policy and Presence. The committee sought an update on China's involvement in the Antarctic and were informed that:

...they have a large and growing program. It is actually mirrored very closely on the Australian program...so their program is actually structured across most of the themes that we currently have in Australia's Antarctic program.<sup>2</sup>

2.8 The committee also asked officers for an update on the progress of the Government's response to the *20 year Australian Antarctic Strategic Plan*, which was released on 10 October 2014. Officers advised the committee that 'many departments are undertaking that response...[and] the government response will be later this year'.<sup>3</sup>

*Outcome 4: Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources*

2.9 The committee called officers from the department in relation to Program 4.1: Water Reform and matters examined included:

- South Australian River Murray Sustainability Program (pp 105–107);
- Lake Albert scoping study (pp 108–110);

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2 *Proof Committee Hansard*, 23 February 2015, p. 49.

3 *Proof Committee Hansard*, 23 February 2015, p. 50.



- review of the *Water Act 2007* (p. 110);
- the impact of coal seam gas on underground water resources ( pp 117–119);
- Galilee water project (pp 121–122); and
- the work of the Independent Expert Scientific Committee (pp 123–125).

2.10 Officers from the department were called in relation to Program 4.2: Commonwealth Environmental Water Office. The committee received an update on the recent employment of local engagement officers in the Murray-Darling Basin communities. Mr David Papps, Commonwealth Environmental Water Holder, stated that:

I think we get better decisions out of involving local communications and we are able to put local knowledge in alongside science and get better outcomes and...that sort of engagement, that localism approach, is very important to building trust with local communities. And being relatively new on the scene as a large holder of water, trust is very important.<sup>4</sup>

2.11 Other matters canvassed by the committee included:

- the management of the Commonwealth environmental water holdings (pp 38–39); and
- the entitlements attached to water allocations carried over from previous years (pp 39–40).

2.12 The committee held an additional hearing on 11 May 2015 to complete its examination of the Environment portfolio. Officers from the Department of the Environment were called in relation to:

- Program 1.1: Sustainable Management of Natural Resources and the Environment;
- Program 1.4: Conservation of Australia's Heritage and the Environment;
- Program 1.5: Environmental Regulation; and
- Program 1.6: Management of Hazardous Wastes, Substances and Pollutants.

2.13 Officers were called in relation to Program 1.1: Sustainable Management of Natural Resources and the Environment. Matters canvassed by the committee included:

- the number of participants in the Green Army programme (pp 21–22);
- projects under the Reef Trust (p. 23);
- the renegotiation process regarding the funding of 37 Natural Resource Management organisations (p. 23); and
- the operation of the *Geelong Star* and its vessel management plan (pp 24–25).

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4 *Proof Committee Hansard*, 23 February 2015, p. 37.

2.14 The committee called officers in relation to Program 1.4: Conservation of Australia's Heritage and the Environment. Matters raised included:

- documentation provided to the World Heritage Committee member countries regarding the endangerment listing of the Great Barrier Reef (pp 6–7);
- the representations made by the Minister and department to members of the World Heritage Committee (pp 7–8);
- the costs of the representations to World Heritage Committee members (pp 9–10); and
- the number of staff working on the Cape York World Heritage nomination (pp 12–13).

2.15 Officers were called in relation to Program 1.5: Environmental Regulation. The committee canvassed the following matters:

- the One-Stop Shop for environmental approvals (pp 14–15, 17–19);
- the outposting of Commonwealth environmental officers into state and territory environment departments to assist with the assessment and approvals process (pp 15–16);
- reduction of compliance costs due to the repeal of the carbon tax (p. 16); and
- the impact of the Shenhua Watermark coalmine (pp 19–20).

2.16 The committee called officers in relation to Program 1.6: Management of Hazardous Wastes, Substances and Pollutants. Matters raised included:

- the National Television and Computer Recycling (pp 3–4);
- the Rotterdam convention (pp 4–5);
- the abolition of the Product Stewardship Advisory Group and the Oil Stewardship Advisory Council (pp 5–6); and
- the review of the Product Stewardship for Oil Program (p. 6).

### ***Bureau of Meteorology***

2.17 Officers from the Bureau of Meteorology were called and matters examined included:

- the number of staff working on climate issues (p. 15);
- changes to the Bureau of Meteorology structure (p. 16); and
- the forecasting of tropical cyclone Marcia (pp 17–18).

2.18 The committee were informed of the advantages the new supercomputer will provide to modelling and forecasting of future weather events. Dr Rob Vertessy, Director, stated:

It is not scheduled to become operational until mid-2016. When it does, we will be at a very significant advantage compared to the where we are today. Our current tropical cyclone modelling system operates at a resolution of about 12 kilometres and we get something in the order of four updates per

day from that model. With the new supercomputer, we will be able to step that resolution down significantly by about a factor of five...we will also be able to run the models more frequently, about six times a day. So we will not only be getting a higher resolution, higher accuracy, but also be getting more regular updates and fresher, and therefore more accurate, forecasts.<sup>5</sup>

### ***Clean Energy Regulator***

2.19 The committee called officers from the Clean Energy Regulator and discussed the following matters:

- the accreditation of power stations (pp 79–82);
- the proposed changes to the Clean Energy Regulator's body corporate and legal entity status under the Public Governance and Resources Legislation Amendment Bill (No.1) 2015 (p. 82);
- the delay of the reverse auction for the Emissions Reduction Fund (pp 83–84);
- allegations of safety problems with solar panels (pp 85–89); and
- the outstanding carbon tax bill of Redbank power station in the Hunter Valley (pp 89–90).

### ***Climate Change Authority***

2.20 The committee discussed the Climate Change Authority's progress regarding the special review into Australia's policies and future targets for reducing greenhouse gas emissions in the context of its international commitments and the actions of other countries. Mr Bernie Fraser, Chairman, informed the committee that 'the first component has to be completed by the end of June. That is our recommendation on targets post-2020'.<sup>6</sup>

2.21 Other matters canvassed by the committee included:

- the proposed changes to the Climate Change Authority body corporate and legal entity status under the Public Governance and Resources Legislation Amendment Bill (No.1) 2015 (p. 93);
- budgetary constraints and staffing numbers (p. 94);
- clarifying answers to questions on notice from the Supplementary Budget estimates 2014–15 (pp 95–96);
- the Climate Change Authority's Targets and Progress Review (p. 97);
- mandatory vehicle fuel efficiency standards (p. 99);
- ocean warming (p. 101); and
- modelling to estimate the price of carbon post-2020 (p. 102).

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5 *Proof Committee Hansard*, 23 February 2015, p. 14.

6 *Proof Committee Hansard*, 23 February 2015, p. 95.

### ***Director of National Parks***

2.22 The Director of National Parks appeared before the committee and reported on the visitation trends for land and terrestrial reserves over the past five years. Ms Sally Barnes, Director of National Parks, stated:

Regarding the larger, jointly managed parks, Booderee on the far South Coast has enjoyed a steady increase in visitation, a steady trend over the last five years...We have had two years of good growth in Uluru, and we have seen growth in Kakadu, and that is a good steady trend. So we are coming back.<sup>7</sup>

2.23 Other matters canvassed with the Director of National Parks included:

- performance reporting against objectives and outcomes (pp 55–56);
- the Marine Reserves Review (pp 56–57); and
- compliance and enforcement in national parks (p. 60).

### ***Great Barrier Reef Marine Park Authority***

2.24 The committee called officers from the Great Barrier Reef Marine Park Authority (GBRMPA). Dr Russell Reichelt, Chairman, advised the committee of the initial report of damage from cyclone Marcia:

...the impact is that the stripping of trees and the disturbance to the coast is not comparable with superstorms like Yasi and Hamish and we will have people in the water in the next few weeks once it is safe to operate in the area and do underwater assessments.<sup>8</sup>

2.25 The committee sought an update on the GBRMPA's action to eradicate the crown-of-thorns starfish. Dr Reichelt told the committee that the GBRMPA had shifted its approach over the past five years from eradication to control through the use of pest management techniques (pp 25–26).

2.26 Other matters canvassed by the committee included:

- the Reef 2050 Long-Term Sustainability Plan (p. 26);
- effective methods for improving water quality (pp 26–28);
- Abbot Point offshore dumping (pp 29–30);
- the reduction of \$40 million from Reef Rescue program (pp. 30–31); and
- compulsory pilotage of shipping vessels through sensitive areas of the Great Barrier Reef (pp 35–36).

### ***Murray-Darling Basin Authority***

2.27 Officers from the Murray-Darling Basin Authority were called and the following matters were examined:

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7 *Proof Committee Hansard*, 23 February 2015, p. 54.

8 *Proof Committee Hansard*, 23 February 2015, p. 23.

- proposed infrastructure works for famers as part of the Basin Plan (pp 41–42);
- decisions about the timing and volume of releases of Commonwealth environmental water (pp 42–43); and
- the Living Murray and the Water for Rivers projects (p. 47).

### ***National Water Commission***

2.28 The committee called officers from the National Water Commission and examined the following matters:

- the current status of the commission, given legislation in the Senate proposing its abolition (p. 111);
- the commission's budget allocation (p. 112);
- the commission's participation in National Water Week, which was held in India in January 2015 (p. 114);
- the National Water Initiative (p. 115);
- consideration of Hume Dam as a supply measure (p. 116); and
- the strategic review being conducted of the Great Artesian Basin rounds one, two and three (pp 126–127).

### ***Office of the Supervising Scientist***

2.29 The committee discussed the following matters with the Office of the Supervising Scientist:

- the ongoing rehabilitation of the Ranger Uranium mine site (pp 19–21);
- the proposed establishment of Ranger 3 Deeps underground mine site (p. 21);
- environmental monitoring and off-lease impacts on Kakadu (p. 22); and
- the elevated salt levels from the Gulungul Creek Tributary 2 (pp 22–23).

## **Communications Portfolio**

### ***Department of Communications***

2.30 The committee commenced its examination of the Communications portfolio with general questions to the Department of Communications. Matters raised included:

- staffing arrangements within the Bureau of Communications Research (pp 3–4);
- three recently advertised tender notices for technology advisory services, corporate advisory services and economic advisory services (pp 4–5); and
- the Universal Service Obligation provisions (pp 6–7).

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

2.31 Officers were called in relation to Program 1.1: Digital Technologies and Communications Services on Thursday, 19 March 2015. The committee sought information regarding the formation of the Digital Transformation Office (DTO) within the Department of Communications. Mr Clarke advised the committee that he was 'a little hamstrung in that I am not able to expand on the depth and breadth of the DTO initiative as it has not yet been announced by the Government'.<sup>9</sup> The committee were told though that the DTO has been modelled on a number of elements of the United Kingdom Government Digital Service (pp 22–25).

2.32 Other matters discussed included:

- the Vertigan review (pp 16–17);
- the Telecommunications infrastructure in new developments: policy update (pp 17–18);
- connection charges for consumers migrating to the National Broadband Network (pp 18–20);
- the National Digital Economy Strategy (p. 20); and
- the Advancing Australia as a Digital Economy Strategy (pp 20–21).

### ***Australia Post***

2.33 In his opening statement, Mr Ahmed Fahour, Managing Director and Chief Executive Officer, provided a summary of Australia Post's 2014–15 half yearly result. At the conclusion of opening statement, the committee discussed the level of consultation being undertaken by Australia Post with its stakeholders regarding the reforms to its letter service and redeployment of its capital and management programs (pp 12–13, 20–21).

2.34 Mr Fahour also explained to the committee a proposal to amend the postal service regulations to introduce a two-speed mail service for 'regular' and 'priority' mail. The introduction of this proposal would see the regular mail service delivered two days slower than the current schedule (pp 34, 39–40).

2.35 Other matters discussed by the committee included:

- employee engagement (p. 13);
- corporate poaching (pp 15–16);
- mediation with franchisees (pp 16–17);
- parcel subsidies (pp 18–19);
- the payment of 'at-risk component bonuses' in 2013–2014 (p. 19);
- Australia Post's arrangements with the United States Postal Service (pp 35–36);
- proposed changes to Mail2Day (p. 37); and

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9 *Proof Committee Hansard*, 19 March 2015, p. 22.

- the MyPost digital mailbox (p. 38).

### ***Australian Broadcasting Corporation***

2.36 Mr Mark Scott, Managing Director, in his opening statement outlined the role the Australian Broadcasting Corporation (ABC) had as the emergency broadcaster when two cyclonic events recently made landfall in northern Queensland and the Northern Territory. At the conclusion of the opening statement, the following matters were discussed:

- radio transmission blackspots in Inverell (p. 69);
- the formation and funding of the online digital unit (pp 69–70, 98–99);
- efficiency savings to be made by closing the internal TV production (70–73, 75–76);
- the recently announced establishment of a regional division in Launceston (p. 74, 101–102);
- ABCs redundancy process (pp 74–75, 77–78);
- whether staff made redundant have been re-hired on contract (pp 78–79);
- ABCs submission to the Australian Broadcasting Corporation Amendment (Local Content) Bill 2015 (pp 80–81);
- coverage of ANZAC Day (pp 82–83);
- the ratio of Australian content compared to international content (p. 85);
- the rights to broadcast the 2015 Asian Football Cup (pp 86–90);
- the geographic dispersion of content makers (pp 90–91);
- the Vote Compass questions on mining activity around the Great Barrier Reef (pp 92–93);
- ABC Fact Check unit (p. 93); and
- the live streaming of ABC local radio (pp 100–101).

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

2.37 Officers from the Australian Communications and Media Authority (ACMA) were called and examined. Matters discussed included:

- the role ACMA has in the coordination of communications satellites (pp 41–42);
- staffing arrangements for the Office of the e-Safety Commissioner (pp 42–43);
- the Authority's contribution to the Government's deregulation agenda (pp 45–46);
- the Authority's input into the Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2015 (pp 46–47); and

- the handling of complaints regarding advertisements of gambling and live odds (pp 48–49).

### ***National Broadband Network Co***

2.38 Mr Bill Morrow, Chief Executive Officer, made an opening statement in which he outlined the progress of the National Broadband Network Co (NBN Co) since Supplementary Budget estimates (pp 103–105).

2.39 Mr Stephen Rue, Chief Financial Officer, provided the committee with an outline of the information contained in the tabled document 'Comprehensive review of cost per premises of the build out of the NBN' (pp 105–107, 113–115).

2.40 Other matters discussed included:

- settlement payments (pp 108–109);
- the cost of legal settlements for Fibre To The Premises brownfields (p. 110);
- higher costs associated with the remediation work of pits and ducts by Telstra (p. 112);
- internal accounting classification associated with the customer connect program (pp 116–117);
- the cost of rolling out the NBN (pp 118–119);
- the number of greenfields homes anticipating NBN by 2020 (pp 119–120);
- the repurposing of the Hybrid Fibre Coaxial networks for the NBN (pp 122–125);
- the acquisition and integration of TransACT's fibre to premise network into NBN Co (p. 127);
- the cost to build the multi-technology mix (p. 131);
- the estimated completion date of the NBN (p. 134); and
- NBN Co proposed co-contribution charge to be paid by developers for capital and backhaul costs (pp 138–139).

### ***Special Broadcasting Service***

2.41 The committee examined the Special Broadcasting Service (SBS) at two hearings: Tuesday, 24 February 2015 and Thursday, 19 March 2015. The Additional estimates hearing on 19 March was held as the committee requested the appearance of Mr Nihal Gupta, Chairman of the SBS Board.

2.42 The committee called officers on Tuesday, 24 February 2015 and commenced with questions regarding the current rate of revenue SBS makes from advertising. Mr Michael Ebeid, Managing Director, stated that:

From television advertising, it is circa \$50 million a year. We probably need to put that into context: that is in a market of about \$3.8 billion a year, of the commercial free-to-air networks. We are about 1.3 per cent of the commercial ad revenues of the free-to-air networks...SBS is a complex



beast when it comes to advertising, because we also have the added challenge that, because we have a very unique charter at SBS, not all our content is attractive to advertisers. So we are not able to fill our ad spots all the time.<sup>10</sup>

2.43 The committee discussed the events leading up to a special board meeting, which was held on 2 February 2015 (pp 54–56, 65–68). Mr Ebeid advised that 'the purpose of that meeting was to discuss my renewal as managing director. My term is a four-year deal, which expires in June this year'.<sup>11</sup>

2.44 Mr Nihal Gupta, Chairman of the SBS Board, appearing at the committee's hearing on 19 March 2015, provided the following clarification regarding the special board meeting:

I can confirm to this committee that I did not, as has been misleadingly reported in the media and was suggested before this committee on 24 February, call a meeting with a view to terminating the managing director's contract...I called the additional meeting with the consensus of all other board members, so that the proper procedure for the consideration of the issue could be followed, and that is what happened, and the managing director was reappointed with proper procedures having been complied with, which is the appropriate result for all concerned.<sup>12</sup>

2.45 At the hearing on 24 February, the committee sought information about the appointment of Mr Nihal Gupta to the position of Chairman of the SBS Board (pp 56–58). Mr Gupta had the opportunity to answer the committee's questions when he appeared on 19 March 2015; however, he declined to comment and stated 'I am not prepared to make any comment about the appointment process'.<sup>13</sup>

2.46 Other matters discussed with SBS included:

- the broadcasting of 74 language programs across three radio networks (p. 51);
- proposed changes to SBS advertising in the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measure) Bill 2015 [Provisions] (pp 59–61);
- the ratio of Australian content compared to foreign-acquired programs (pp 63–64); and
- the growth of online platforms compared to audience levels of SBS's television channels (p. 64).

### ***Telecommunications Universal Service Management Agency***

2.47 The committee called officers from the Telecommunications Universal Service Management Agency and matters examined included:

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10 *Proof Committee Hansard*, 24 February 2015, p. 50.

11 *Proof Committee Hansard*, 24 February 2015, p. 54.

12 *Proof Committee Hansard*, 19 March 2015, pp 3–4.

13 *Proof Committee Hansard*, 19 March 2015, p. 11.

- the number of locations transitioning to the National Broadband Network within the next six months (p. 7);
- engagement activities with priority assistance customers (p. 8);
- the development and launch of the National Relay Service 'app' (p. 8); and
- regions in northern Queensland that have temporarily been without access to a standard telephone line (p. 10).

**Senator Anne Ruston**  
**Chair**

# Appendix 1

## Additional Estimates programs

### The Senate

#### BUSINESS OF COMMITTEES

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**Public Hearings: ADDITIONAL ESTIMATES FOR 2014–15**

**Monday, 23 February 2015**

**Committee Room 2S3**

**Parliament House**

**Canberra ACT**

*To be televised on Channel 111/Radio 91.1*

[http://www.aph.gov.au/News\\_and\\_Events/Watch\\_Parliament](http://www.aph.gov.au/News_and_Events/Watch_Parliament)

#### AGENDA

**MONDAY, 23 February 2015**

**Time Environment Portfolio**

<b>9.00 am</b>	<b>General questions of the Department</b>
<b>9.40 am</b>	<b>Bureau of Meteorology</b>
<b>10.00 am</b>	<b>Supervising Scientist Division</b>
	<b>Morning Tea: 10.20 am to 10.35 am</b>
<b>10.35 am</b>	<b>Great Barrier Reef Marine Park Authority</b>
<b>11.20 am</b>	<b>Program 4.2: Commonwealth Environmental Water Office</b>
<b>11.50 am</b>	<b>Murray-Darling Basin Authority</b>

	<b>Lunch: 12.20 pm to 1.20 pm</b>
<b>1.20 pm</b>	<b>Outcome 3: Antarctica: Science, Policy and Presence</b>
<b>1.40 pm</b>	<b>Director of National Parks</b>
<b>2.10 pm</b>	<b>Program 1.2: Environmental Information and Research</b>
<b>2.40 pm</b>	<b>Program 1.3: Carbon Pollution Reduction – Land Sector Initiatives</b>
<b>2.55 pm</b>	<b>Program 2.1: Reducing Australia's Greenhouse Gas Emissions</b>
<b>3.45 pm</b>	<b>Program 2.2: Adapting to Climate Change</b>
	<b>Afternoon Tea: 4.15 pm to 4.30 pm</b>
<b>4.30 pm</b>	<b>Clean Energy Regulator</b>
<b>5.00 pm</b>	<b>Climate Change Authority</b>
<b>5.30 pm</b>	<b>Program 4.1: Water Reform National Water Commission</b>
<b>6.00 pm</b>	<b>Program 1.5: Environmental Regulation</b>
	<b>Dinner: 6.30 pm to 7.30 pm</b>
<b>7.30 pm</b>	<b>Program 1.5: Environmental Regulation (continued)</b>
<b>8.00 pm</b>	<b>Program 1.6: Management of Hazardous Wastes, Substances and Pollutants</b>
<b>8.30 pm</b>	<b>Program 1.4: Conservation of Australia's Heritage and the Environment</b>
	<b>Tea Break: 9.15 pm to 9.30 pm</b>
<b>9.30 pm</b>	<b>Program 1.1: Sustainable Management of Natural Resources and the Environment</b>
<b>11.00 pm</b>	<b>Adjournment</b>

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**TUESDAY, 24 February 2015**

**AGENDA**

<b>Time</b>	<b>Communications Portfolio</b>
<b>9.00 am</b>	<b>General questions of the Department</b>
<b>9.30 am</b>	<b>Telecommunications Universal Service Management Agency</b>
<b>10.00 am</b>	<b>Australia Post</b>
	<b>Morning Tea: 10.30 am to 10.45 am</b>
<b>10.45 am</b>	<b>Australia Post (<i>Continued</i>)</b>
<b>11.30 am</b>	<b>Australian Communications and Media Authority</b>
<b>12.00 pm</b>	<b>Special Broadcasting Service</b>
	<b>Lunch: 12.30 pm to 1.30 pm</b>
<b>1.30 pm</b>	<b>Special Broadcasting Service (<i>continued</i>)</b>
<b>2.00 pm</b>	<b>Australian Broadcasting Corporation</b>
	<b>Afternoon Tea: 3.30 pm to 3.45 pm</b>
<b>3.45 pm</b>	<b>NBN Co Limited</b>
	<b>Dinner 6.30 pm to 7.30 pm</b>
<b>7.30 pm</b>	<b>NBN Co Limited (<i>continued</i>)</b>
	<b>Tea Break: 9.00 pm to 9.15 pm</b>
<b>9.15 pm</b>	<b>Program 1.1: Digital Technologies and Communications Services</b>
<b>11.00 pm</b>	<b>Adjournment</b>

## The Senate

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**Public Hearings: ADDITIONAL ESTIMATES FOR 2014–15**

**Thursday, 19 March 2015**

**Committee Room 2S1**

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### AGENDA

**Thursday, 19 March 2015**

**Time Communications Portfolio**

<b>4.00 pm</b>	<b>Special Broadcasting Service</b>
<b>4.45 pm</b>	<b>Program 1.1: Digital Technologies and Communications Services</b>
<b>6.00 pm</b>	<b>Adjournment</b>

## The Senate

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#### SENATE ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE

**Public Hearings: ADDITIONAL BUDGET ESTIMATES FOR 2014–15**

**Monday, 11 May 2015**

**Committee Room 1S3**

**Parliament House**

**Canberra ACT**

**Monday, 11 May 2015**

**Time Environment Portfolio**

<b>11.00 am</b>	<b>Program 1.6: Management of Hazardous Wastes, Substances and Pollutants</b>
<b>11.15 am</b>	<b>Program 1.4: Conservation of Australia's Heritage and the Environment</b>
<b>11.50 am</b>	<b>Program 1.5: Environmental Regulation</b>
<b>12.25 pm</b>	<b>Program 1.1: Sustainable Management of Natural Resources and the Environment</b>
<b>1.00 pm</b>	<b>Adjournment</b>

Committee Chair: Senator Anne Ruston

Contact: Kirsty Cattnach 02 6277 3528; email: [Kirstyanne.cattanach@aph.gov.au](mailto:Kirstyanne.cattanach@aph.gov.au)

Committee Room 1S3; Ph: 02 6277 5847





## **Appendix 2**

### **Tabled documents**

***Monday, 23 February 2015***

*Department of Environment*

Table of the number of non-ongoing staff as at 31 January 2015

***Tuesday, 24 February 2015***

*Special Broadcasting Service*

Comparison of SBS's advertising model with Free TV Australia's model

*NBN Co Ltd*

NBN Co cost per premises, December 2014

***Thursday, 19 March 2015***

*Senator Dastyari*

Media release, the Hon Malcolm Turnbull MP, Minister for Communications, 'Nihal Gupta and Peeyush Gupta appointed to SBS Board', 17 October 2014