

Chapter 1

Additional Estimates 2015–16

Introduction

1.1 On 4 February 2016, 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 2016 [Appropriation Bill (No. 3) 2015–16];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2016 [Appropriation Bill (No. 4) 2015–16]; and
- Final Budget Outcome 2014–15.¹

1.2 A reporting date of 1 March 2016 was set for the committee's report on the 2015–16 Additional Estimates.² On 29 February 2016, the Senate agreed to extend the tabling date to 16 March 2016 to allow the committee to complete its examination of the proposed additional expenditure and outcomes for the Environment portfolio.³

Portfolio coverage

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

- Environment Portfolio; and
- Communications and the Arts Portfolio.⁴

Hearings

1.4 The committee's examination of the Environment Portfolio commenced on Monday, 8 February 2016. The committee agreed, pursuant to standing order 26(4), to hold a further hearing on Friday, 4 March 2016 to continue its examination of Program 1.5: Environment Regulation. The committee further agreed to examine the programs not called on 8 February 2016 at that hearing as follows:

- 1.1: Sustainable Management of Natural Resources and the Environment;
- 1.5: Environmental Regulation;
- 1.6: Management of Hazardous Wastes, Substances and Pollutants;

1 *Journals of the Senate*, No. 137, 4 February 2016, p. 3720.

2 *Journals of the Senate*, No. 124, 10 November 2015, p. 3336.

3 *Journals of the Senate*, No. 142, 29 February 2016, p. 3837.

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

- 1.7: Cities and the Built Environment;
- 4.1: Water Reform; and
- 4.2: Commonwealth Environmental Water Office.

1.5 The committee's examination of the Communications and the Arts Portfolio took place on Tuesday, 9 February 2016.

1.6 The committee took evidence from Senator the Hon Simon Birmingham, Minister for Education and Training representing the Minister for the Environment; Senator the Hon Anne Ruston, Assistant Minister for Agriculture and Water Resources representing the Minister for the Environment; Senator the Hon Mitch Fifield, Minister for Communications and Minister for the Arts; and Senator the Hon Arthur Sinodinos AO, Cabinet Secretary representing the Minister for the Environment, together with officers from the relevant departments and agencies. The committee thanks 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, 8 April 2016, as the date for the return of written answers or additional information for the hearing held on 8 February 2016. The committee agreed to 22 April 2016 from the hearing held on 4 March 2016.

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 webpage. Links to the transcripts of these public hearings and to answers and additional information are available on the internet at:

www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ecctte/estimates/add1516/index

Answers to questions on notice – Supplementary Budget Estimates 2015–16

1.10 The committee's examination of the Department of the Environment and its agencies for the Supplementary Budget estimates took place on 19 October 2015 and 13 November 2015.

1.11 The committee agreed to three dates for the return of answers to questions on notice from the Environment portfolio. Answers to Senator Urquhart's questions on notice in relation to programs 1.1, 1.4, 1.6, the Clean Energy Regulator and the Climate Change Authority were due to the committee by 4 November 2015. The committee set 4 December 2015 as the date for the return of answers to questions on notice arising from the hearing on 19 October 2015. Finally, answers to questions

taken on notice arising from the hearing on 13 November 2015 were due to the committee by 15 January 2016.

1.12 The committee's examination of the Communications and the Arts portfolio took place on 20 October 2015. The committee held a separate hearing with the Australian Broadcasting Corporation (ABC) on 30 November 2015. The committee set 4 December 2015, as the date for the return of answers to questions on notice from the Communications and the Arts portfolio. The committee set 27 January 2016, as the date for return of answers to questions from the ABC.

Timeliness of answers to questions on notice

1.13 On 2 November 2015, the Department of the Environment indicated to the committee that it was not able to provide the answers to Senator Urquhart's written questions on notice by the due date of 4 November. The department advised that it would endeavour to provide the responses by 11 November 2015.

1.14 On 11 November 2015, the Department of the Environment provided answers to 63 of the 77 questions placed on notice by Senator Urquhart; seven more were provided on 12 November 2015. A further six answers to questions on notice were provided on 24 November 2015 and the final answer was provided on 3 December 2015.

1.15 The committee acknowledged that the Department of the Environment had provided the majority of answers to the questions on notice from Senator Urquhart and, at the hearing on 13 November 2015, the chair commented that this had been very helpful to the committee.

1.16 In relation to the remaining questions on notice the committee received the majority of the answers from the Environment portfolio that were due on 4 December by Friday, 21 December 2015. All answers were provided by 28 January 2016.

1.17 The committee did not receive any answers to the questions on notice from the Communications and the Arts portfolio by the due date of 4 December 2015. The first answers were received on 8 December 2015. Answers to 60 questions were provided between 8 December and 22 December 2015 and 80 answers were provided between 25 January and 8 February 2016.

1.18 The ABC did not provide any answers to the 24 questions on notice by the due date of 27 January 2016. The committee received the first seven answers on 8 February 2016.

1.19 The committee received the remaining 22 answers to questions on notice, including 17 from the ABC and five from across the department and agencies, on the

morning of the committee's Additional Estimates hearing with the Communications and the Arts portfolio.⁵

1.20 At the Additional Estimates hearing with the Communications and the Arts portfolio, the committee expressed its concern that no answers to questions on notice had been received by the due date and that many answers were provided either on the Friday afternoon before the hearing or moments before the hearing commenced. The chair noted that the provision of answers so close to the hearing, provided little time for senators to review the answers and to prepare any supplementary questions that they may have for Additional Estimates hearing.⁶

1.21 The Secretary of the Department of Communications and Arts, Dr Heather Smith, responded to the committee's concerns regarding the lateness of answers to questions on notice and stated:

I did note that you wrote to the department yesterday about the need to ensure the timely coordination and response to questions asked by the committee. There were a number of factors contributing to the lateness of the [answers], including that many of the questions required coordinating responses from portfolio agencies of which we now have significantly more since the administrative order changes. I do wish to assure the committee, though, that the department does take the provision and tabling [of answers] very seriously and we will ensure a better response rate going forward.⁷

1.22 Dr Smith went on to inform the committee that administrative arrangements would be put in place to improve advice to portfolio agencies about questions on notice. Dr Smith concluded that the Department of Communications and the Arts 'will endeavour to ensure being more timely for the next estimates'.⁸

1.23 While welcoming Dr Smith's commitment to improving the timeliness of the provision of answers, the committee notes that comments were included in its report on the Additional Estimates 2014–15 concerning the late provision of the answers to questions on notice by the then Communications portfolio. The committee reiterates its comments regarding the importance of the provision of answers to questions on notice and its expectation that answers will be provided by the due date.

1.24 At the committee's second hearing with the Department of the Environment, the Secretary, Dr Gordon de Brouwer, also commented on the timely provision of

5 Of the five answers provided across the Communications and the Arts portfolio: three were from NBN Co; one from Program 2.1: Arts and Cultural Development; and one from the National Film and Sound Archive.

6 See *Proof Committee Hansard*, 9 February 2016, p. 4.

7 Dr Heather Smith, Secretary, Department of Communications and the Arts, *Proof Committee Hansard*, 9 February 2016, pp 4–5.

8 Dr Heather Smith, Secretary, Department of Communications and the Arts, *Proof Committee Hansard*, 9 February 2016, pp 4–5.

answers to question on notice and indicated that the chair would be provided with information on the way in which the Department of the Environment undertakes the grouping of answers.

Claims of commercial confidentiality

1.25 The committee has examined answers to questions on notice from Budget estimates 2015–16 and Supplementary Budget estimates 2015–16 in relation to claims that information was not provided on the basis that it was commercial-in-confidence. The committee notes that some answers from agencies in the Communications and the Arts portfolio contained this claim. While a number of answers included an indication of the potential commercial harm of providing the information, some answers claiming confidentiality did not provide any basis for such a claim.

1.26 The committee again draws the attention of departments and agencies to Senate Procedural Order of Continuing Effect No. 11 of 30 October 2003 relating to claims for the withholding of information on the grounds that it is commercial-in-confidence.⁹ Without the required statement indicating the commercial harm that may result from the disclosure of the information, the committee is unable to consider whether it should require the answer or should not press the question.

1.27 At Budget Estimates 2015–16, Australia Post requested that the answers to five questions on notice be provided to the committee 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 Standing Order 25(2)—its power to inquire into the performance of departments and agencies. The questions were in relation to its contracts, parcel sorting machines, digital mailbox and the forecast decline of mail volumes. The committee, upon receipt of the answers to questions on notice and in consultation with Australia Post, agreed to make public the answers to two of the five questions and these have been published with the portfolios answers to questions on notice.

Attendance of witnesses

1.28 The committee notes that most departments and agencies in the Environment portfolio and the Communications and the Arts portfolio were well prepared for the Additional Estimates hearings.

1.29 In relation to NBN Co, the committee noted that senators seek detailed information on highly technical matters. The committee had requested that a number of NBN officers attend the Additional Estimates hearings to respond to these questions. However, the officers requested were unavailable due to prior commitments and only Mr Bill Morrow, Chief Executive Officer, and Mr Stephen Rue, Chief Financial Officer, attended the hearings. The committee suggested that it would be

9 The Senate, *Standing Orders and other orders of the Senate*, August 2015, p. 131.

helpful to senator attending the hearing if NBN Co would consider having the appropriate officers either attend or be contactable via email during estimates hearings. The committee notes Mr Morrow responded that, if an indication of the topics to be canvassed at the hearing was provided, that the appropriate officers would be available.¹⁰

Senators' guidance document

1.30 The committee would again like to thank both the Department of the Environment and the Department of Communications and the Arts for each preparing a 'guidance document' for the Additional Estimates hearings. The guidance documents provided a comprehensive overview of the outcome structure of each department and were very helpful to committee members in establishing the correct area in which to ask their questions.

Record of proceedings

1.31 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.

Note on references and additional information

1.32 References to Hansard transcripts are to the proof Hansard; page numbers may vary between the proof and official Hansard transcripts.

1.33 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.

10 Mr Bill Morrow, Chief Executive Officer, NBN Co, *Proof Committee Hansard*, 9 February 2016, p. 133.