

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 2016–17. 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 the Environment and Energy by asking general questions about:

- updated staffing and funding figures for the department (pp. 5–7);
- science of climate change and emissions reduction programs (pp. 9–12); and
- the potential development of new coal-fired power stations (p. 13).

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

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

- bio-diversity related programs (pp. 104–105);
- Regional Forest Agreements (RFAs) (pp. 106–108);
- funding projections for the National Landcare Program (pp. 107–108); and
- the Threatened Species Strategy and recovery plans (pp. 110–112).

2.4 The committee called officers in relation to Program 1.2: Environmental Information and Research and Program 1.3: Land Sector Initiatives. The committee discussed the impending release of the next *State of the Environment* report and the spread of mange in Tasmania's wombat populations (p. 103).

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

- the Australian Government's submission to the UNESCO World Heritage Centre to include the Budj Bim cultural landscape on the World Heritage Tentative List (pp. 30–31, 34);
- allocation of staffing to World Heritage issues in the department (pp. 31–32);

- consultation with Indigenous stakeholders in relation to potential sites in Cape York for inclusion in future World Heritage List nominations (pp. 30–32);
- funding for the eradication of yellow crazy ants in the Wet Tropics of Queensland World Heritage Area (pp. 32–33);
- threats to remaining giant kelp forests on Tasmania's east coast (p. 33); and
- Japan's scientific whaling program in the Southern Ocean (pp. 33–34).

2.6 Officers from the department were called in relation to Program 1.5: Environmental Regulation. Matters canvassed included:

- monitoring of environmental indicators and trends (p. 86);
- upcoming review of the *Environment Protection and Biodiversity Conservation Act 1999* (pp. 87–87);
- reopening of the Tarkine coastal trails in Tasmania (pp. 92, 98); and
- RFAs and the protection of threatened species (pp. 94–97).

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

- an update in relation to the *Better fuel for cleaner air—Discussion paper* released in December 2016 (pp. 99–100);
- container deposit schemes for waste (p. 100); and
- the Heads of Environment Protection Agencies Australia and New Zealand (HEPA) Per-and poly-fluoroalkyl substances (PFAS) Summit in April 2017 (pp. 100–102).

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

2.8 The committee agreed to put on notice any questions in relation to Program 2.1: Reducing Australia's greenhouse gas emissions and Program 2.2: Adapting to Climate Change (pp. 115, 116).

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

2.9 Officers from the department were called in relation to Program 3.1: Antarctica: Science, Policy and Presence. Dr Gwen Fenton, the Chief Scientist of the Australian Antarctic Division, represented Dr Nick Gales as Acting Director in his absence. Matters examined included:

- the splitting of the Larsen C ice shelf in the Antarctica Peninsula and changes in the Antarctic ice sheet (pp. 27–28, 29);
- the establishment of the Marine Protected Area (MPA) in the Ross Sea through the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the proposed East Antarctic MPA (pp. 27–28); and
- progress on the program to modernise the research base on Macquarie Island (pp. 29–30).

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

2.10 The committee called officers of the department in relation to Program 4.1: Water Reform and Program 4.2: Commonwealth Environmental Water and examined both programs concurrently. Matters discussed included water allocations in the Murray-Darling Basin system (pp. 117–121).

Outcome 5: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community

2.11 The committee continued its examination of the department by calling officers in relation to Program 5.1: Energy. Matters discussed included:

- indemnities from the Commonwealth Government for future carbon costs (pp. 63–64);
- the interruptions to electricity supplies in South Australia (pp. 68–72, 75–76);
- the role and reliability standards of the Australian Electricity Market Operator (AEMO) (pp. 65, 73–77); and
- the effect of electricity privatisation on the reliability of the National Electricity Market (NEM) (pp. 76–77).

Australian Renewable Energy Agency

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

- comparative advantages of various energy technologies (pp. 49–50);
- impacts of the recent cuts to ARENA's budget (pp. 50–52); and
- the proposal for a solar-thermal plant at Port Augusta (p. 52).

Bureau of Meteorology

2.13 Officers were called from the Bureau of Meteorology (BOM) and matters examined included:

- the frequency and intensity of heatwaves in Australia (pp. 21, 25–26);
- methodologies used by the BOM to measure temperature and climate trends (pp. 22–23); and
- online seasonal outlooks and forecasts programs for rural and regional communities (p. 24).

Clean Energy Finance Corporation

2.14 The committee called officers from the Clean Energy Finance Corporation (CEFC). The committee noted that this was the last appearance of Mr Oliver Yates, Chief Executive Officer, before the committee at Estimates. In his opening statement Mr Yates highlighted the role played by the estimates process:

...the role the committee operates is very important for all government organisations so that they know they will be publicly scrutinised and held to the highest standards—not only are our own organisation but any others that have to appear before you. I would like to thank many of the senators, some of whom are here and some who are not, who have provided our organisation with great support over the four and half years that I have been CEO.⁷

2.15 Other matters discussed included:

- the economic viability of new coal-fired power stations (pp. 41–43);
- renewable energy storage solutions including carbon capture and storage (CCS) (pp. 43–46);
- structure and legislative framework of the CEFC (p. 44); and
- the solar-thermal power station proposal for Port Augusta in South Australia (pp. 47–48).

Clean Energy Regulator

2.16 Officers of the Clean Energy Regulator were called and matters examined included:

- the 2020 renewable energy target (pp. 54–55);
- the obligations under Large-scale Renewable Energy Target certificates (pp. 54–62); and
- impact of the renewable energy target on electricity prices (p. 62).

7 Mr Oliver Yates, Chief Executive Officer, Clean Energy Finance Corporation, *Proof Committee Hansard*, 27 February 2017, p. 39.

Climate Change Authority

2.17 The committee called officers from the Climate Change Authority and canvassed the following matters:

- update on the Climate Change 2017 Review (p. 35);
- construction of new coal-fired power stations (pp. 36–37);
- responses to the Authority's third draft report of its *Special Review: Australia's Climate Policy Options* (pp. 37–38);
- motor vehicle emissions standards (p. 38); and
- the benefits of the Emissions Reduction Fund to the livestock industry (p. 39).

Director of National Parks

2.18 The committee called the Director of National Parks, Ms Sally Barnes, and discussed the following matters:

- funding for the establishment and management of national parks under the National Reserve System (pp. 77–78);
- an update on the new draft management plans for Commonwealth Marine Reserves (pp. 79–80); and
- management of the Kakadu Buffalo Farm (pp. 80–83).

Great Barrier Reef Marine Park Authority

2.19 The committee called officers from the Great Barrier Reef Marine Park Authority. Matters examined included:

- an update on the conservation status of the reef by the World Heritage Committee (pp. 14–15);
- the UNESCO 41st World Heritage Committee session in Poland in July 2017 (p. 16);
- the mass bleaching event on the reef during 2016 (pp. 17–18, 19);
- land clearing and its effect on the water quality (pp. 18–9); and
- foreign illegal fishing on the reef (p. 19).

Office of the Supervising Scientist

2.20 The committee called the Office of the Supervising Scientist and discussed the rehabilitation of the Ranger uranium mine site including advice in relation to the proposed closure criteria (pp. 83–86).

Communications and the Arts Portfolio

2.21 As noted in chapter one, the committee conducted its examination of the Communications and the Arts Portfolio over two days: 28 February 2017 and 24 March 2017. On 24 March 2017, the committee completed its examination of the Department of Communications and the Arts and NBN Co as well as a number of agencies within the portfolio.

Department of Communications and the Arts

2.22 The committee commenced its examination of the Communications and the Arts Portfolio on 28 February 2017 by inviting an opening statement from the Minister for Communications and for the Arts, Senator the Hon Mitch Fifield. The Minister drew the committee's attention to the recent announcement of the resignation of Mr Ahmed Fahour as Managing Director and Chief Executive Officer of Australia Post (pp. 2–4).

2.23 At the conclusion of the Minister's opening statement, the committee discussed issues related to senior executive remuneration (pp. 4–7, 9–16, and 18–22).

2.24 The committee called officers from the Department of Communications and the Arts and the following general matters were discussed:

- funding for the performing arts in vocational education and training (pp. 7–9);
- the application of efficiency dividends (pp. 16–18);
- quotas for drama and children's content on Australian television (pp. 22–23, 24–25);
- 'safe harbour' provisions (pp. 23–24);
- review of the spectrum management framework (pp. 25–27); and
- media ownership rules (pp. 31–33).

2.25 The committee canvassed issues related to Programs 1.1 and 2.1 at its hearing on 24 March 2017 as follows:

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

2.26 Officers were called in relation to Program 1.1: Digital Technologies and Communications Services. Matters canvassed included:

- NBN electorate briefs (pp. 45–49);
- the Mobile Black Spot Program (pp. 49–54);
- NBN rollout and company performance (pp. 54–55);
- proposed civil penalties for 'revenge porn' (pp. 55–56); and

- reform of the spectrum management framework (pp. 56–58).

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

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

- funding for the Australia Council (pp. 22–24);
- the National Opera Review (pp. 24–26); and
- intellectual property rights (pp. 26–27).

Australian Broadcasting Corporation

2.28 The committee called officers of the Australian Broadcasting Corporation (ABC) and discussed the following matters:

- rural and regional remote services including the termination of shortwave services in the Northern Territory (pp. 78–84, 88–92 and 93–94);
- broadcast services to the South Pacific region (pp. 84–87);
- broadcasting during emergencies (pp. 84–87);
- appointments to the ABC board (pp. 92–93, 94–95);
- editorial judgments with regard to specific programs (pp. 95–97);
- trials of audio description services on broadcast television (pp. 97–99); and
- ABC funding and priorities (pp. 99–102).

Australia Post

2.29 In his opening statement, Mr John Stanhope, Chairman of Australia Post, addressed the issue of senior executive remuneration in the organisation (pp. 39–40). At the invitation of the committee, Mr Ahmed Fahour made an opening statement and summarised for the committee some of the achievements during his term of office and future challenges facing the organisation (pp. 40–41).

2.30 At the conclusion of both opening statements, the committee discussed the issue of senior executive remuneration in the organisation (pp. 42–53, 54–57 and 59).

2.31 Other matters discussed by the committee included:

- the licensed post offices network (pp. 53–54, 66–67 and 75–76);
- Australia Post's investment in Aramax (pp. 57–59);
- protection of the Australia Post trademark (pp. 60–62);
- revenue from the rental of post office boxes (pp. 62–63);
- costs of meeting community service obligations (pp. 63–65);

- time lost through injuries and workers compensation issues (pp. 67–68 and 71–74); and
- workforce bargaining (pp. 77–78).

2.32 At the conclusion of the committee's examination, the Chair acknowledged Mr Fahour's contribution to the estimates process over his seven year tenure at Australia Post.⁸

National Broadband Network Co Ltd

2.33 One 28 February 2017, Mr Bill Morrow, Chief Executive Officer, made an opening statement and provided the committee with an update on the progress of the rollout of the National Broadband Network (NBN) since the Supplementary Budget Estimates (pp. 102–103).

2.34 The committee canvassed the following matters with NBN Co:

- the current extent of coverage by the network (pp. 105–108, 113, 117 and 130–131);
- provision of information to customers (pp. 108–111, 122);
- NBN relations with retail service providers (pp. 111–113);
- technical issues concerning the roll-out of the network (pp. 113–117);
- network capability and performance (pp. 117–128);
- repairing network faults (pp. 127, 134–136);
- NBN executive remuneration (p. 128); and
- investment in future technology upgrades (pp. 132–134).

2.35 Officers from NBN Co were called to appear before the committee at the hearing on 24 March 2017. The following matters were discussed:

- potential use of NBN Co assets to support a mobile network (pp. 58–59);
- future technology developments (p. 59); and
- complaints resolution processes (pp. 68–73).

Special Broadcasting Service

2.36 The committee called Mr Michael Ebeid, Managing Director and CEO of the Special Broadcasting Service (SBS), who provided an opening statement acknowledging the recent appointment of Dr Hass Dellal as SBS Chairman (p. 33). The following matters were discussed:

- funding position and budget cuts (pp. 33–35);

8 Senator Linda Reynolds CSC, *Proof Committee Hansard*, 28 February 2017, p. 78.

- involvement in government deradicalisation efforts (pp. 34–35);
- SBS's *Face Up to Racism* documentaries (p. 36);
- autonomy and audience reach of the National Indigenous Television (NITV) service (pp. 36, 38); and
- participation in community forums (p. 37).

Agencies examined on 24 March 2017

2.37 The committee examined the following agencies on Friday, 24 March 2017:

- Australia Council;
- Australian Communications and Media Authority;
- National Film and Sound Archive;
- National Library of Australia;
- Office of the Children's eSafety Commissioner; and
- Screen Australia.

Australia Council

2.38 The committee called officers from the Australia Council, who appeared via videoconference, and discussed changes to funding arrangements (pp. 3–9) and decision making processes for selecting arts projects (p. 10).

Australian Communications and Media Authority

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

- resourcing implications for ACMA's implementation of the recommendations of the *Spectrum Review Report* (pp. 28–30);
- ACMA's management of outsourced providers (pp. 30–33);
- illegal porting of mobile phone numbers (pp. 33–34);
- review of media content rules (pp. 34–38); and
- conversion of AM to FM radio licences (pp. 36–38).

National Film and Sound Archive

2.40 The committee called officers from the National Film and Sound Archive (NFSA) and discussed the impact of funding cuts on the programs and operation of the NFSA (pp. 15–17).

National Library of Australia

2.41 This was the Director-General's first appearance at Estimates and the committee welcomed Dr Marie-Louise Ayers appearing in her new position. Matters raised included:

- impacts of the efficiency dividend on staffing and library services (pp. 11–13);
- funding and operation of the Trove database (p. 12–13); and
- the library's internal complaints handling processes (pp. 13–15).

Office of the Children's eSafety Commissioner

2.42 The chair welcomed Ms Julie Inman-Grant, Commissioner, to her first appearance before the committee at Estimates and invited her to make an opening statement. Ms Inman-Grant provided the committee with a brief overview of the role and anticipated expanded responsibilities of the Office of the Children's eSafety Commissioner:

I think 2017 is going to be a year of extension and further opportunity. You may know that there is legislation pending in the House, tabled on 9 February by Paul Fletcher, which will expand the remit of the office from the children's e-commissioner's office to the e-safety commissioner's office. That will allow us to expand our remit and to really meet the safety needs of all Australians, particularly those from vulnerable communities.⁹

2.43 Other matters discussed included:

- the removal of online cyber-bullying material (pp. 39–40);
- implications for the anticipated name change to the Office of the eSafety Commissioner under the Enhancing Online Safety for Children Amendment Bill 2017 (pp. 41–42); and
- preventing the Australian advertising and marketing industry from inadvertently funding terrorism through 'programmatic advertising' (pp. 42–44).

9 Ms Julie Inman-Grant, Commissioner, Office of the Children's eSafety Commissioner, *Proof Committee Hansard*, 24 March 2017, p. 38.

Screen Australia

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

- possible review into content quota rules (p. 17);
- greater representation of cultural and gender diversity in Australian television and film (pp. 18–21); and
- recent industry successes domestically and internationally (pp. 21–22).

Senator Linda Reynolds CSC
Chair

