

The Senate

Environment, Communications,
Information Technology and the Arts
Legislation Committee

Additional estimates 2005–06

March 2006

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Introduction

1.1 On 8 February 2006 the Senate referred the following documents to legislation committees for examination and report:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2006 [Appropriation Bill (No. 3) 2005-2006];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2006 [Appropriation Bill (No. 4) 2005-2006];
- Statement of savings expected in annual appropriations made by Act No. 72 of 2005 (*Appropriation Act (No. 1) 2005-2006*) and Act No. 73 of 2005 (*Appropriation Act (No. 2) 2005-2006*);
- Final budget outcome 2004-05 (tabled 5 October 2005) and the Issues from the Advance to the Finance Minister as a final charge for the year ended 30 June 2005 (tabled 7 February 2006).¹

1.2 Legislation committees were required to report to the Senate on 28 March 2006.²

Hearings

1.3 The Committee conducted public hearings on the Communications, Information Technology and the Arts portfolio on 13 and 14 February 2006 and on the Environment and Heritage portfolio on 14 February 2006.

1.4 Written answers and information provided to the Committee on notice arising from the hearings are tabled in the Senate and posted on the Committee's web page. The answers are also compiled as volumes of Additional Information.

1.5 Links to the transcripts of the public hearings and to answers and additional information are available on the Internet at:

http://www.aph.gov.au/senate/committee/ecita_ctte/estimates/index.htm

Questions on notice – date for response

1.6 In accordance with Standing Order 26(9)(a), the Committee agreed that the date for the submission of written answers or additional information in response to questions placed on notice at the hearings be Friday, 7 April 2006.

1.7 Once again, the Committee expressed its concern about the considerable time taken by the Communications, Information Technology and the Arts portfolio to

1 *Journals of the Senate*, No. 70, 8 February 2006, p. 1835.

2 *Journals of the Senate*, No. 71, 9 February 2006, pp 1844-1845.

provide answers to questions put on notice at the Supplementary Budget Estimates hearings in October/November 2005, noting that several answers were still outstanding at the time of the Additional Estimates hearings. It reiterates its expectation that answers to questions on notice should be provided to the Committee by the due date.

Portfolio specific issues

Communications, Information Technology and the Arts portfolio

1.8 On the first day of its examination of the 2005-2006 Additional Estimates, the Committee examined the telecommunications and broadcasting sectors of the portfolio.

1.9 The Committee welcomed Senator the Hon Helen Coonan, Minister for Communications, Information Technology and the Arts.

1.10 During its examination, the Committee raised a range of issues which are noted below. The page references beside each issue refer to the proof transcript for Monday, 13 February 2006.

Outcome 3—Development of services and provisions of a regulatory environment which encourages an efficient and effective communications sector for the benefit of all Australians

Telecommunications issues

Australia Post

- workers compensation costs (p. 4)
- injury management early intervention policy (pp 4-6, 9-12)
- restructure of mail centres in south-east Queensland and the impact on staff (pp 6-9)
- facility nominated doctors program (pp 12-18)

Telstra

- attendance of Mr Trujillo at the additional estimates hearing (pp 21-22)
- time spent overseas by Mr Trujillo (pp 22-23)
- appointments of non Australians to Telstra positions (pp 24-25)
- proposed switch-off of the CDMA network and introduction of the 3G network (pp 25-41)
- transitional costs for CDMA customers moving to the 3G network (pp 36-38)
- roaming provided by Telstra on government funded mobile sites to other mobile providers (pp 38-39)

-
- megabit download speed available on 3GGSM (p. 39)
 - copper network faults, Telstra Media Release re extra funding (pp 41-45, 49-51, 53-55)
 - cost of maintenance and repair in rural and regional Australia (pp 45-47)
 - fault rates for Telstra Country Wide areas (pp 47-49)
 - fibre to the node program (pp 51-61, 81-82)
 - local presence plan (pp 61-65, 86)
 - closure of research labs (pp 65-68)
 - roles of Cosby Textor and Carnegie Wylie (pp 68-69)
 - removal of public pay phones in WA country towns (pp 76-77)
 - rollout of broadband services to rural Australia, application of Xtel and Newground (pp 77-79)
 - cost of creating and maintaining website (p. 83)
 - costs of complying with regulations (p. 84)
 - costs of mail outs to shareholders by the CEO (p. 85)
 - reduction of wholesale customers' contract terms to six months (pp 87-90)
 - backhaul pricing levels (pp 90-94)
 - increase in wholesale basic access charge (pp 94-96, 103-105)
 - use of CDMA network after the introduction of the 3G network (pp 97-98)
 - spectrum required for the 3G network (pp 99, 105-106)
 - outsourcing of IT capabilities to overseas contractors and impact on Australia based staff levels (pp 101-103)

DCITA Output 3.1—Policy advice and program management which encourages competitively priced and reasonably accessible telecommunications and postal services

- ACCC report on unconditioned local loop services wholesale access pricing (pp 106-109)
- Government funding of the CDMA network (pp 109-110)
- development of the operational separation framework (pp 111-113)
- current status of the Do Not Call Register discussion paper (pp 113-114)

Broadcasting issues

Australian Broadcasting Corporation

- resignation of the Managing Director, Mr Balding (p. 116)
- current status of Mr Cox in Tasmania (pp 116-117, 117-119, 127-128)

- current status of Mr O'Keefe (pp 117-118)
- release of the KPMG report on triennial funding (p. 119)
- release of complaints about ABC coverage of Middle Eastern affairs and costs incurred by the ABC in the freedom of information application (pp 120-121)
- health concerns at the Toowong studio (p. 121)
- review of the ABC's anti-bullying policy and procedures (pp 122-124)
- access to capital city program by WA regional listeners (pp 124-127)
- appointment of new managing director (pp 129-130)
- cost of the KPMG review (pp 132-133)
- breaches of editorial policies, news division style guide rules and inappropriate political comments on air (pp 136-152)

Special Broadcasting Service

- funding sought in the triennial funding submission (p. 153)
- spectrum available for broadcasting (p. 154)
- monitoring of radio programs for inappropriate material (pp 155-157)
- programming on SBS TV (pp 158-160)
- biased reporting and factual errors (pp 160-161)

1.11 Due to time constraints the Australian Communications and Media Authority (ACMA) and outputs 3.2 and 3.3 were held over to the following morning. Outputs 3.4 and 3.5 were not required to attend.

1.12 On the second day of hearings, those areas not concluded the night before were called and examined ahead of the arts and sports sectors. The Committee welcomed back Senator Coonan in her own capacity and representing the Minister for the Arts and Sport, Senator the Hon Rod Kemp.

1.13 The page references beside each issue refer to the proof transcript for Tuesday, 14 February 2006.

Telecommunications issues in continuation

Australian Communications and Media Authority

- Voice over Internet Protocols (VoIP) services (pp 4-8)
- network faults, disparity between Telstra figures and the former ACA's quarterly monitoring reports (pp 8-11)
- adequacy of the then ABA's enforcement powers, as reported in its annual report (p. 11)

-
- release of a discussion paper on possible enforcement enhancements for ACMA (pp 11-14)
 - allocation of spectrum for datacasting (pp 15-17)
 - audit on regional licensing (pp 17-20)
 - reallocation of spectrum used by TV broadcasters for electronic news gathering and live sport to wireless internet service (pp 20-22)

DCITA Output 3.2–Policy advice and program management which promote accessible high quality broadcasting services

- release of media policy discussion paper (pp 23-24)
- status of digital television reviews reports (p. 26)
- appointments to vacancies on the ABC Board (p. 27)
- locally produced drama on the ABC (p. 28)
- status of the review of mobile content regulation (p. 29)

DCITA Output 3.3–Policy advice and program management that assist the development of the Information and Communications Technology Industry

- development of IT skills in Australia (pp 30-33)
- reduction in undergraduate IT enrolments (p. 32)

Cultural issues

Outcome 1–Development of a rich and stimulating cultural sector for all Australians

National Museum of Australia

- overview of 2005 exhibitions (pp 34-36)
- changes to exhibition program resulting from the Carroll review (p. 36)
- use of Braille signage on exhibits (p. 37)

Australia Council

- findings of the national survey report of theatre companies (pp 37-39)
- restructure of the New Media Arts Board (pp 39-40)
- impact on and implications for orchestras of divestment from the ABC (pp 41-43)
- development of a commercial code of conduct for dealings with Indigenous artists (pp 43-44)

Australian Film Commission

- resignation of the CEO, Mr Dalton, and appointment of a successor (pp 44-45)
- funding for a script development program (pp 46-47)
- collecting of non Australian film, television and music at the National Film and Sound Archive (pp 47-48)
- funding of the Australian Screen Online program (pp 48-49)

1.14 The Committee welcomed Senator the Hon Ian Campbell, Minister for the Environment and Heritage, representing the Minister for the Arts and Sport, Senator the Hon Rod Kemp, and continued its examination of the arts sector.

Film Finance Corporation

- current funding levels (p. 50)
- marketing of FFC funded films or documentaries (pp 50-51)
- methods for evaluating films for FFC funding (p. 51)
- status of the 10A and 10B film tax review (pp 51-52)

National Archives of Australia

- impact of operating budget on staffing allocation (pp 52-53)
- touring exhibitions (p. 54)

National Gallery of Australia

- implications of the Auditor-General's report *Safe and accessible national collections* (pp 54-56)
- proposed changes to the Gallery, overview of stages 1 and 2 (pp 56-58)
- the Gallery's role in the National Library's exhibition *National Treasures from Australia's Great Libraries* (p. 58)

National Library of Australia

- National Treasures exhibition: visitor numbers in Canberra; touring itinerary (p. 59)
- status of the digitising of original materials, eg pictures, rare maps and publications such as music scores (pp 59-60)

DCITA Output 1.1—Policy advice, program management and agency support which promotes access to and excellence in Australia's cultural activities and preservation and development of our cultural collections

- Clause 11 (IP) of the new funding agreements with Indigenous organisations (pp 60-63)
- national Indigenous languages survey report of 2005 (pp 63-64)

- progress of the resale royalty scheme and the related discussion paper (p. 64)
- the UNESCO convention on cultural diversity (pp 65-66)
- grants made under the Cultural Development Program (p. 67)
- increased allocation of funding for the new National Portrait Gallery (pp 67-68)
- details about the proposed national music education summit (pp 68-69)

Sport issues

1.15 At the conclusion of the arts sector, representatives from the sporting bodies and the Department were called and examined together.

Outcome 2–Development of a stronger and internationally competitive Australian sports sector and greater encouragement in sport by all Australians

Australian Sports Commission

Australian Sports Drug Agency

DCITA Output 2.1–Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector

- absence of Mr Peters from the estimates hearing (p. 69)
- revised estimate of the Commonwealth contribution to the 2006 Commonwealth Games (pp 69-71)
- transitional arrangements for ASADA (pp 71-73)
- proposed ASADA organisational structure (pp 73-74)
- employment of consultants (p. 74)
- anti-doping initiatives (p. 75)
- interaction between the Get Moving campaign and the Active After School Communities program (pp 75-77)
- the Active After School Communities program (pp 77-79)
- progress of the sports facilities program (pp 80-81)

1.16 The Committee notes that the Minister for the Arts and Sport, Senator the Hon Rod Kemp, has written to it explaining the absence of Mr Peters from the estimates hearing in February. To allay the concerns expressed at the hearing, the Minister's letter is attached at Appendix 3.

Environment and Heritage portfolio

1.17 At the conclusion of the examination of the Communications, Information Technology and the Arts portfolio, officers from the Environment and Heritage portfolio were called.

1.18 The Committee welcomed Senator the Hon Ian Campbell, Minister for the Environment and Heritage.

Outcome 2—Australia's interests in Antarctica are advanced

Australian Antarctic Division

- oversupply of whale meat in Japan (pp 83-84)
- updates on diplomatic efforts to stop whaling (pp 84-85)
- progress report on the construction of the runway in Antarctica (pp 85-86)

Outcome 1—The environment, especially those aspects that are matters of national environmental significance, is protected and conserved

Great Barrier Reef Marine Park Authority

- current staffing numbers (pp 86-87)
- progress of the review of the *Great Barrier Reef Marine Park Act 1975* (pp 87-87, 112)
- recommendations made in the Authority's submission to the review (pp 89-91)
- visitor numbers and revenue figures for the reef rescue aquarium (p. 92)

Department of the Environment and Heritage

Director of National Parks and Parks Australia Division

- coral bleaching at Ningaloo (p. 92)
- extent of coral bleaching in other Commonwealth marine parks in the northern waters (p. 92)
- status of the organisational reviews in Kakadu and Uluru national parks (p. 93)
- rehabilitation projects on Christmas Island (p. 94)

Approvals and Wildlife Division

- timetable for amendments to the EPBC Act (pp 95-97)
- timing of the final EIS on Christmas Island (p. 97)
- approval process in relation to False Cape, Cairns (pp 97-102)
- compliance and penalties under the EPBC Act (pp 102-103)

Heritage Division

- overseas travel details of officers of the department and members of the Heritage Council or the Heritage Commission (pp 103-104)
- involvement in heritage work in Iraq (pp 104-105)

-
- current status of the National Heritage List (p. 109)
 - status of the Shark Bay World Heritage area and the listing of Ningaloo (pp 110-111)

Industry, Communities and Energy Division and International Land and Analysis Division

- climate change issues (*Four Corners* program, 13/02/06) (pp 112-124)
- renewable energy targets (pp 125-127)
- current status of the Solar Cities program (pp 127-129)
- the department's role in the Asia-Pacific climate pact meeting (pp 129-132)

Land, Water and Coasts Division

- development of a coastal policy (pp 132-133)
- progress on water sharing plans with New South Wales and Queensland (p. 135)

Marine Division

- Great Barrier Reef Marine Park RAP restructure grants process (pp 135-140)

National Resource Management Programmes Division

- status of reviews of national resource management and national action plan programs (pp 140-141)

Acknowledgements

1.19 The Committee thanks the Minister for Communications, Information Technology and the Arts, Senator the Hon Helen Coonan, and the Minister for the Environment and Heritage, Senator the Hon Ian Campbell, along with officers from both portfolio departments and agencies, for their assistance during this additional estimates process.

Senator Alan Eggleston
Chairman

Appendix 1

The Senate BUSINESS OF COMMITTEES

This document is issued as a guide to Senators
Business listed is subject to change

It should be noted that times allocated for the consideration of outcomes, items and agencies within portfolios are indicative only.

Senators, staff and departments should liaise with secretariats on the progress of portfolios during the estimates process.

SENATE ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

Public Hearings: Additional Estimates 2005–2006

Monday, 13 and Tuesday, 14 February 2006

**Committee Room 2S3
Parliament House
Canberra ACT**

To be televised on Channel 12 and broadcast on Radio 91.1
<http://webcast.aph.gov.au>

AGENDA

MONDAY, 13 FEBRUARY 2006

9.00am Communications, Information Technology and the Arts Portfolio

Department of Communications, Information Technology and the Arts

Outcome 3—Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and information and Communications Technology industry

**9.00am Australia Post
Telstra
DCITA Output 3.1** Policy advice and program management which encourages competitively priced and reasonably accessible telecommunications and postal services

**Australian Broadcasting Corporation
Special Broadcasting Service**

DCITA Output 3.2 Policy advice and program management which promote accessible high quality broadcasting services

Australian Communications and Media Authority

7.00pm **DCITA Output 3.3** Policy advice and program management that assist the development of the Information and Communications Technology Industry
DCITA Corporate Services

DCITA Output 3.4 Policy and program management of copyright issues that encourage the production of content and promote reasonable access to research and cultural materials

DCITA Output 3.5 Strategic advice, activities and representation relating to Australia's development as an information economy, nationally and internationally

11.00pm **Adjournment**

TUESDAY, 14 FEBRUARY 2006

Communications, Information Technology and the Arts Portfolio

Department of Communications, Information Technology and the Arts

9.00am **Outcome 1—Development of a rich and stimulating cultural sector for all Australians**

National Museum of Australia

Australia Council

Australian Film Commission

Film Finance Corporation

National Archives of Australia

National Gallery of Australia

National Library of Australia

DCITA Output 1.1 Policy advice, program management and agency support which promotes access to and excellence in Australia's cultural activities and preservation and development of our cultural collections
(including matters related to the Film Finance Corporation Australia Limited)

DCITA Output 1.2 Preservation of and access to Old Parliament House and the *National Portrait Gallery* and their respective collections

Outcome 2—Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians

Australian Sports Commission

Australian Sports Drug Agency

DCITA Output 2.1 Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector.

(at
conclusion
of CITA
portfolio)

Environment and Heritage Portfolio

Department of Environment and Heritage

Outcome 2—Australia's interests in Antarctica are advanced
Australian Antarctic Division

Outcome 1—The environment, especially those aspects that are matters of national environmental significance, is protected and conserved

Bureau of Meteorology

Great Barrier Reef Marine Park Authority

Director of National Parks and Parks Australia Division

Department of the Environment and Heritage

Approvals and Wildlife Division

Heritage Division

Industry, Communities and Energy Division

International, Land and Analysis Division

Land, Water and Coasts Division

Marine Division

Natural Resource Management Programmes Division

Policy Coordination Division

11.00pm

Adjournment

BREAKS

Morning tea	10.45am approx	
Lunch	1.00pm	2.00pm
Afternoon tea	3.45pm approx	
Dinner	6.00pm	7.00pm
Tea break	9.30pm approx	

Appendix 2

Documents tabled

Monday, 13 February 2006

Senator Ronaldson tabled a copy of Telstra Media Release No 219/2005 dated 6 July 2005, concerning *\$200 million program to improve Telstra's copper network*.

Tuesday, 14 February 2006

Senator the Hon Ian Campbell, Minister for the Environment and Heritage, tabled a copy of his letter to The Hon Dr Judy Edwards MLA, then WA Minister for the Environment, dated 18 October 2005, concerning the preparation of a World Heritage nomination for North West Cape/Ningaloo Reef.

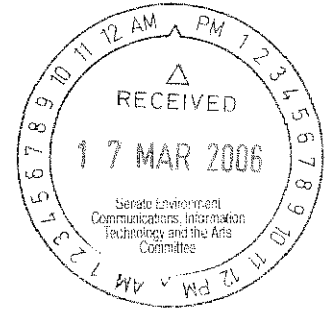
Appendix 3

Correspondence from the Minister for the Arts and Sport Senator the Hon Rod Kemp



SENATOR THE HON ROD KEMP

Minister for the Arts and Sport



Senator Alan Eggleston
Chair
Senate Environment, Communications, Information
Technology and the Arts Legislation Committee
Parliament House
CANBERRA ACT 2600

13 MAR 2006

Dear Senator Eggleston *Alan*

I refer to the Additional Budget Estimates hearing held by the Senate Environment, Communications, Information Technology and the Arts Legislation Committee in Canberra on Tuesday 14 February 2006. In particular, I wish to raise the comments made at the commencement of the hearing on Outcome 2 Sport concerning the absence of both myself and the Chief Executive Officer of the Australian Sports Commission, Mr Mark Peters.

It was my recollection that during discussions earlier in February with Senator Lundy and the Committee on my absence and the possibility of the hearing date being changed, reference had also been made to Mr Peters' absence. It was a last minute decision that Mr Peters attend the Olympic Winter Games in Italy, and his non-attendance at the hearing should in no way be interpreted as reflecting a view concerning the importance of the Senate Estimates process.

I regret the oversight in not providing the Committee with formal notification of Mr Peters' absence.

Yours sincerely

ROD KEMP

